

## Williams-Sonoma Australia 2022-2023 Modern Slavery Statement

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This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) and sets out Williams-Sonoma Australia Pty. Ltd.'s commitments to assess and eliminate the risks of modern slavery and forced labour in our business and supply chains.

Williams-Sonoma has adopted and implemented rigorous social compliance and audit programs that are committed to eradicating human trafficking, child labour and forced labour in our global product supply chains. Williams-Sonoma is committed to acting ethically and with integrity in our business dealings and relationships and expect the same high standards from all of its suppliers, contractors and other business partners. This includes engaging in responsible sourcing and social compliance and tackling modern slavery throughout our supply chains.

### History, structure and supply chain

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Williams-Sonoma Australia Pty. Ltd. (ABN 75 157 917 783) ("**WSA**") is a wholly owned subsidiary of Williams-Sonoma, Inc. ("**WSI**"), a United States public company that trades on the New York Stock Exchange under the symbol "WSM". Throughout this Statement, WSI and WSA are collectively referred to as "we" or "our" or "us".

WSI, incorporated in 1973, is an omni-channel specialty retailer of high-quality products for the home. Today, WSI is one of the United States' largest e-commerce retailers with some of the best known and most beloved brands in home furnishings. As the world's largest digital-first, design-led, sustainable home retailer, we are shaping the future of shopping for the home. Our brands include Williams Sonoma, Williams Sonoma Home, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, West Elm, Rejuvenation, Mark & Graham, and GreenRow (each a "**Brand**" and, together, the "**Brands**"). We operate in the United States of America, Puerto Rico, Canada, Australia and the United Kingdom, and offer international shipping to customers worldwide. Our unaffiliated franchisees operate stores in the Middle East, the Philippines, Mexico, South Korea, and India as well as e-commerce websites in certain locations.

We speak to our commitment to "Good By Design" and our pillars of Planet, People, and Purpose across all our Brands on our sustainability [website](#), which details our progress to public goals and our enhanced disclosures aligned with an environmental, social, and governance framework.

WSA was incorporated in Australia in 2012 and commenced operations with the launch of its stores in Bondi Junction in 2013. WSA has a registered office at C/ McBurney & Partners Pty Ltd, Level 10, 68 Pitt Street, Sydney NSW 2000, and its principal place of business is at 'Exchange' SE 201 L2, 2 Grosvenor Street, Bondi Junction, NSW 2022. WSA's fiscal year ends on 31 January of each year. As of 31 January 2023, the Company operated 20 retail stores in Australia and had approximately 300 employees.

WSA operates solely in Australia. WSI is headquartered in San Francisco, California U.S. and has subsidiaries and/or branch offices in Asia, Australia and Europe.

We purchase most of our home furnishings merchandise from numerous foreign and domestic manufacturers and importers, the largest of which accounted for approximately 3% of our purchases during the 2022 fiscal year. In addition, we manufacture merchandise, primarily upholstered furniture and lighting, at our United States facilities located in the states of North

Carolina, Oregon and Mississippi.

## **Our modern slavery risks**

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We undertook assessments of modern slavery risks in our operations and supply chains over the last reporting period to consider any risks that we may be causing, contributing, or directly linked to, modern slavery practices. Following these assessments, areas of vulnerability in our operations were found to relate largely to our dependence on foreign (i.e., ex-United States) vendors and our increased global operations subjected us to risks relating to forced labour and modern slavery. Approximately 67% of our merchandise purchases in the 2022 fiscal year were sourced from foreign vendors, located predominantly in Asia and Europe.

We use a number of factors to assess the potential risk of modern slavery in our supply chains, including geographic risks from where we source materials, the products that we source, and the supply chain model involved in relation to those materials.

Although we continue to be focused on improving our global compliance program, there always remains a risk that one or more of our foreign vendors or sub-suppliers will not adhere to our global compliance standards, such as fair labour standards and the prohibition of child labour.

## **Actions taken to assess and address risk**

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Over the last reporting period, we have made progress in implementing further actions to assist in addressing the modern slavery risks associated with our operations and supply chains.

In countries with higher risk for forced and bonded labour, we expanded our existing audits, implementing a vendor declaration process to address increased scrutiny (as discussed further in this statement).

We have also adopted tools that monitor modern slavery risk and help us respond to issues faster, and we are proactive in assessing human rights risks in our supply chain. We require all factories located in high-risk countries to be audited, and regularly review our country-level risk to confirm that all applicable factories are audited. In the 2020 fiscal year, we piloted an audit equivalency program with select suppliers. In the 2021 fiscal year, we grew the program further, allowing more suppliers to focus their resources on capacity building. The program supports our ability to grow the number of suppliers we audit by allocating audit resources to the areas of highest need.

In the 2021 fiscal year, utilising this program we were able to further expand our audit scope, auditing more of our purchase volume (29% more) and covering more areas of risk as a result. In the 2022 fiscal year, we increased the number of audits we conducted to gain greater visibility into risk across our value chain. Factories that received an A or B audit grade for two consecutive years, or low-risk suppliers, are eligible to submit industry-leading equivalency reports. Rather than us committing resources to conduct company-commissioned, third-party audits, this allows us to focus our resources and use them to conduct third-party audits for the remaining suppliers (with lower ratings or which are considered high risk). Our intention is also to strengthen supplier relationships based on a shared vision to improve working conditions in factories.

We have also leveraged new technologies as they become available. We proactively address human rights risks in our supply chain. We continue to use an external analytics tool adopted in

fiscal year 2021 that allows us to regularly right-size our efforts and pre-emptively take action based on country-level risk, product category risk, and media screening. For all new suppliers, we use this tool to scan for any incidents at their manufacturing or sub-supplier sites prior to and during initial engagement.

In the 2022 fiscal year, we formed an internal traceability working group with representatives from all of our sourcing regions to align on an organization-wide approach for forced labour and material traceability.

We have, where practicable, honoured existing supplier relationships to avoid purchasing practices such as short production windows and last-minute or short-term orders, during the COVID-19 pandemic which only increased modern slavery risks for workers.

## **Oversight and Governance**

WSI and its affiliates, including WSA, are committed to maintaining the highest level of integrity and honesty throughout all aspects of our business, and we expect our business partners, including vendors/suppliers, agents and designated third parties, to respect and adhere to the same philosophy in the operation and management of their businesses.

Our social compliance program is based on the conventions of the International Labor Organization (“ILO”) and the UN’s Guiding Principles on Business and Human Rights and we are committed to doing our part to eradicate human trafficking, child labour and forced labour in our global product supply chains. WSI realises this commitment by working with vendors/suppliers who conduct their business with integrity and comply fully with all applicable legal requirements related to human trafficking, child labour and forced labour.

Oversight of WSI’s Sustainability Strategy, including human rights issues, starts with the WSI Board of Directors and carries through the entire supply chain organisation.

The Nominations, Corporate Governance and Social Responsibility Committee (the “**Committee**”) of WSI’s Board of Directors oversees Corporate Sustainability and Social Responsibility matters, including human rights-related issues. The Committee is comprised of three Directors who monitor our environmental, social and governance policies and advise on policies and strategies that could help our social and environmental impact and risk profile. The Committee engages regularly with management on these issues.

Our Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development leads both the organisation’s dedicated global team of sustainability professionals, as well as a working group of cross-functional leaders across the company group to determine strategies, policies and goals related to sustainability and regularly report to and seek input from the Committee on those matters. The dedicated sustainability team works across the enterprise, both within Brands and within shared services, to drive progress to shared goals and embed accountability for sustainability programs across departments. This team partners with in-country sourcing teams, brand design and merchants, packaging engineers, retail operations, human resources, and supply chain operations to set and meet goals.

## **Vendors and WSI policies**

### *Supply Chain Labour Practices Policy*

WSI expects its existing and new vendors/suppliers to act in accordance with the standards set out in WSI's Supply Chain Labour Practices Policy which can be accessed [here](#).

We have common compliance programs and policies across WSI to abide by the UK Modern Slavery Act, Australian Modern Slavery Act and the California Transparency in Supply Chains Act, and we prohibit child labour, forced labour and trafficked labour of any kind as a Zero Tolerance Violation.

### *Vendor Code of Conduct*

All WSI vendors/suppliers are expected to sign its Vendor Code of Conduct (which can be accessed [here](#)) and our standard agreements with our merchandise vendors/suppliers require compliance with the Vendor Code of Conduct. The Vendor Code of Conduct stipulates, among other things, that vendors/suppliers comply with the laws regarding human trafficking, child labour and forced labour of the country or countries in which they do business.

Vendors/suppliers are required to be transparent in their policies, processes and standards which govern their operations and are related to their compliance with the Vendor Code of Conduct. As a condition of doing business with WSI, suppliers agree to give WSI, our customers or third-party representatives unhindered access, with or without notice, to their facilities and records related to compliance with the Code.

WSI may, in its sole discretion, either terminate the business relationship or execute permanent corrective actions in partnership with the vendor/supplier if it determines that any partner has violated these requirements.

Suppliers are not permitted to use a sub-contractor for the manufacture of WSI merchandise or components thereof without disclosure to WSI. All vendors/suppliers are also required to ensure that any permitted sub-suppliers adhere to our Vendor Code of Conduct.

Additionally, vendors/suppliers are required to adhere to our responsibly sourced fiber and wood policies.

### *Human Rights Policy*

WSI recognises the importance of respecting and promoting human rights globally. A copy of our Human Rights Policy can be accessed [here](#).

People First, one of WSI's core values, is a fundamental commitment to this principle. Our approach to protecting and safeguarding human rights outside the United States is informed by the relevant ILO Conventions and the UN Guiding Principles on Business and Human Rights.

We strive to avoid adverse human rights impacts from the outset by embedding principles related to respect and dignity throughout our business and integrating them into our company policies and relevant procedures. Ethical conduct and strong business relationships are key to preventing or mitigating adverse human rights impacts in our operations, products or services by our business

relationships.

## **Audit and Verification**

To verify compliance of vendors/suppliers to these requirements, WSI conducts independent, third-party audits and/or requires the disclosure of vendor/supplier information regarding labour practices. Audits aim to identify any improper labour practices, including child labour, forced labour, prison labour, indentured labour or bonded labour that may exist.

To ensure the factories we use are safe, secure and fair places of employment for workers, factories in WSI's audit scope are audited each year through semi-announced audits within a three-week window. Audits are conducted on site for one or two days, by qualified auditors from independent third-party audit firms who are trained in-depth on WSI audit standards and protocols.

Through a complete factory tour (including production and non-production areas), document and record reviews, as well as worker and management interviews, the auditors review the compliance of the factory against set standards for transparency, labour practices, health & safety, ethical conduct and environmental protection. The violations identified during the audit are ranked according to severity, which determines any necessary Corrective Action Plan (“**CAP**”). WSI has a rigorous zero tolerance policy and monitoring process to ensure there are no egregious human rights violations in our supplier factories. The audit results in a social rating, from A to D, based on the number and severity of the non-compliance items identified on site. This social grade allows us to benchmark factory performance, as well as measure factory improvement over time. Non-performing ‘D’ factories are given ample time to support and improve, failing which an exit plan is executed. Factory grading is integrated into our vendor scorecards and business decisions and is intended to reward those partners with strongest performance, as well as protect our business from risk.

Additional attention regarding auditing protocol, training and reporting is given to vendor/supplier sites located in countries identified as high risk for human trafficking, child labour and forced labour. All audits include visual inspections, review of documents and records (e.g., employee contracts), and confidential interviews with workers in their native language.

WSI's audit program is founded on the continuous improvement philosophy. Our goal is to help vendors/suppliers understand the purpose of our requirements and to implement consistent and robust systems that will sustain their social performance. Our Vendor Code of Conduct also requires all vendors/suppliers to expect the same social compliance standards from their sub-suppliers.

Beyond our standard audit protocol, in the 2021 fiscal year we implemented a segmentation internal risk assessment to understand unique risks at different factories based on factors such as country-level and product-category risk. We used the results of the segmentation to develop a risk-based auditing strategy, allowing us to prioritize our resources and use them where needed. As our business continues to grow and shift, we are adapting and evolving our social compliance and audit program.

## **Remediation Processes**

Where audit results require it, we work with suppliers and factories to develop a CAP based on those audit findings and to support remediation. We have a dedicated team of corporate social

responsibility experts in our major markets to work directly with vendors/suppliers on continuous improvements plans, supporting them to identify root causes to non-compliance, build time-bound action plans, and implement solutions that prevent recurrence and are validated through a timely follow-up audit. Beyond the audit process, we partner with vendors/suppliers to help build long-term management systems.

Additionally, we understand the importance of associates and workers knowing their rights and addressing violations when necessary. WSI's [Ethics Hotline](#) is available to team members as well as third party factory workers in our major overseas sourcing regions and high-risk countries with concerns about potential violations of WSI's [Code of Conduct](#) or [Vendor Code of Conduct](#). In addition, we conduct training with factory workers to use the Ethics Hotline. Those processes and contacts ensure independence and protection of anonymity for reporting grievances, including any concerns related to human rights, as disclosed by associates (employees), suppliers and workers.

## Impact Report

We report on our program performance semi-annual updates to the WSI Board of Directors and in our annual Impact Report to shareholders and the public. A copy of the 2022 Impact Report, released in July 2023, is available here: <https://sustainability.williams-sonomainc.com/wp-content/uploads/2023/07/WSI-2022-Impact-Report.pdf>.

## Assessing the effectiveness of our actions

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Over the last decade we have continued to raise the bar on human rights and health and safety in our supply chain. We moved our sourcing function in house, opened up our own country offices, developed comprehensive, rigorous social compliance standards, built our audit protocol and program, and have partnered with our in-country sourcing teams to pursue continuous improvement in our supply chain.

## Audits

We continuously evolve and adapt our audit program to support a dynamic economic environment and business needs. Audits are conducted on site by qualified, third-party independent audit firms that are trained in-depth on our audit standards and protocols.

In the 2022 fiscal year, we increased the number of audits performed, conducting hundreds of third-party audits to verify social and environmental compliance. We regularly review our social compliance and audit programs to ensure they remain effective.

## Internal Accountability and Training

WSI holds its employees to the highest standards of integrity and honesty in business practices. Sourcing team members are trained on required vendor/supplier employment practices and working conditions, including policies on involuntary labour, human trafficking, child labour and forced labour. WSI associates (employees) are required to uphold the tenets listed in the WSI Vendor Code of Conduct and are subject to disciplinary measures, including up to termination of their employment, for failing to abide by all applicable laws and company standards.

Any employee or contractor who becomes aware of a vendor/supplier who does not comply with the human trafficking, child labour or forced labour laws in the country or countries in which they do business, must report that suspected violation to the Director of Corporate Social Responsibility.

WSI provides training to managers and above who have direct responsibility for supply chain management on human trafficking and slavery, including how to identify and report any instances of child labour or forced labour they may see while visiting vendors. In addition, each WSI employee receives annual training on our Code of Conduct and Business Ethics which also cover these issues. WSI regularly provides information regarding its anonymous Ethics Hotline for associates of any level to report any ethics issues.

WSI provides training to its vendors regarding its labour standards and Vendor Code of Conduct, including human trafficking and slavery issues, as well as on-boarding training for new factories joining WSI's business.

## **Policies and processes**

Our Vendor Code of Conduct, Supply Chain Labour Practices Policy and Human Rights Policy undergo an annual internal review process, both by the dedicated social compliance team as well as our internal audit team. We continue to refine our program and disclose our strategy and goals on our [website](#).

Our process to assess the effectiveness of our programs in identifying and managing modern slavery risk is ongoing and evolving. We use vendor social audit grades across A-D ratings as key performance indicators to assess our social compliance programs and identify opportunities to improve audit grades over time. Such audit grades also assess supplier management systems and oversight of working conditions in factories. Over subsequent reporting periods, we will continuously review these metrics to ensure continuous improvement.

## **Trade associations and global projects**

WSI participates in many trade associations and consortiums, including the Sustainable Apparel Coalition, Textile Exchange and United Nations Global Compact. We leverage partnerships with experts such as the RILA/AAFA Forced Labor Working Group to remain abreast of new developments to protect workers. We leverage our expertise and market influence to ensure industry alignment toward positive social and environmental impacts.

## **Consultation**

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WSA does not own or control any other entities. During the reporting period covered by this Statement, WSA consulted with WSI as its parent company and other affiliated entities within the WSI group of companies to prepare this Statement. WSI's dedicated sustainability team operates in the U.S. and across the globe.

Senior executives from WSI and within the broader WSI group of companies have actively engaged and consulted to frame our expectations, raise awareness and understand their approach in mitigating modern slavery risks.

## The impacts of COVID-19


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Our focus on health and safety and human rights continued through the challenges of COVID-19 pandemic and its aftermath. We developed and disseminated COVID-19-specific educational resources and trainings in our supply chain and added a COVID-19-specific supplement to our audit protocol.

Government mandated travel restrictions limited access for WSI staff and auditors in specific locations during the pandemic, but nonetheless we worked closely with our third-party audit firms to conduct a regular cadence of audits in a timely manner.

Through the pandemic, we supported our suppliers and factory workers with heightened health and safety measures and worker wellbeing programs. Many of our Fair Trade Certified™ factories used their Community Development Funds to provide COVID-19 relief to workers, providing bulk food staples, personal protective equipment and health kits for workers and their families. These are meaningful actions that have helped factories to retain workers during COVID-19. Our robust worker wellbeing programs helped maintain the resiliency of our supply chain.

This statement was approved by the Board of Directors of WSA on December 12, 2023.

  
[Laura Alber \(Dec 12, 2023 23:29 EST\)](#)

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Laura Alber

Director  
Williams-Sonoma Australia Pty. Ltd. and

Chief Executive Officer  
Williams-Sonoma, Inc.