

## Williams-Sonoma Australia 2020 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.

### 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, and Mark & Graham (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 and South Korea, 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/O DLA Piper Australia, 22/1 Martin Place, 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 at 31 January 2020, the Company operated 19 retail stores in Australia and had 412 employees.

WSA operates solely in Australia. WSI is headquartered in San Francisco, California 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 2% of our purchases during fiscal 2019. In addition, we manufacture merchandise, primarily upholstered furniture and lighting, at our United States facilities located in the states of North Carolina, California, Oregon and Mississippi.

## Our modern slavery risks

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Our dependence on foreign (i.e., ex-United States) vendors and our increased global operations subject us to risks relating to forced labour and modern slavery. Approximately 65% of our merchandise purchases in fiscal 2019 were sourced from foreign vendors located predominantly in Asia and Europe. Although we continue to be focused on improving our global compliance program, there 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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### Oversight; 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 Labour 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 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

#### *Supply Chain Labour Practices Policy*

WSI expects its existing and new vendors/suppliers to act in accordance with the standards set forth 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 Certification

All WSI vendors/suppliers are expected to sign the Vendor Code of Conduct (which can be accessed [here](#)). In addition, our agreements with our merchandise vendors/suppliers require compliance with our [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.

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.

#### Sub-Suppliers

All vendors/suppliers are also required to ensure that sub-suppliers adhere to our Vendor Code of Conduct. Additionally, vendors/suppliers are required to adhere to our responsibly sourced fiber and wood policies.

### **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. 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.

### **Remediation Processes**

We work with factories to develop Corrective Action Plans (CAPs) based on 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 factory workers with concerns about potential violations of WSI's [Code of Conduct](#) or [Vendors' Code of Conduct](#). The processes and contacts which ensure independence and protection of anonymity for reporting grievances, including any

concerns related to human rights, are disclosed to associates, suppliers and workers.

We report on our program performance semi-annual updates to the WSI Board of Directors and in our annual Corporate Responsibility Report to shareholders and the public.

## **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 in house, opened up our own country offices, developed comprehensive, rigorous social compliance standards, built our audit protocol and program, and 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 2019, we conducted over 500 third-party audits.

### **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 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. WSI regularly provides information regarding its anonymous Ethics Hotline for associates of any level to report any ethics issues.

WSI provides training to 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 and Supply Chain Labour Practices 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](#).

WSI also participates in many trade associations and consortiums, including the Sustainable Apparel Coalition, Social Labour Convergence Project, Textile Exchange and United Nations Global Compact. We leverage our expertise and market influence to ensure industry alignment toward positive social and environmental impacts.

## The impacts of COVID-19

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

Government mandated travel restrictions have limited access for WSI staff and auditors in specific locations, but we are working closely with our third-party audit firms to resume our regular cadence of audits in a timely manner. WSI continues to use best efforts to undertake alternative due diligence in order to monitor supply chain exposure to modern slavery risks.

This statement was approved on behalf of the Board of Directors on December 21, 2020.

*Laura Alber*

[Laura Alber \(Dec 21, 2020 16:01 PST\)](#)

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Laura Alber  
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President and Chief Executive Officer  
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