

WSI

WILLIAMS-SONOMA, INC.

2024 Report-Preventing Forced and Child Labour in Canadian Supply Chains

The following is Williams-Sonoma Canada Inc.'s report to fulfill its requirements under the Fighting Forced Labour and Child Labour In Supply Chains Act (Bill S-211, Royal Assent received 11 May 2023). Williams-Sonoma Canada, Inc.'s Business Number is 895739415.

REQUIREMENT (a)-STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Williams-Sonoma Canada Inc. (“**WSCI**”) 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 report, WSI and WSCI are collectively referred to as “we” or “our” or “us” or “the Company.”

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.

Williams-Sonoma Canada, Inc. (“**WSCI**”) was incorporated in Ontario under the laws of the Business Corporations Act (Ontario) on August 29, 2000 and continued as a federal corporation under the laws of the Canada Business Corporations Act on June 12, 2003. WSCI commenced operations with the launch of its stores in 2001. WSCI has a registered office at 333 Bay Street, Suite 3400, TORONTO ON M5H 2S7, Canada. WSCI operates 19 retail stores in Canada and has approximately 308 employees as of this date.

WSCI operates solely in Canada. 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 2023 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.

Regarding its varied supply chains, Williams-Sonoma, Inc. imports into the United States from numerous countries around the world. All WSI product is imported into the US before being shipped to Canada, which means that products are imported in full compliance with US CBP regulations. Williams-Sonoma, Inc. is certified in both arms of the US Customs-Trade Partnership Against Terrorism (CTPAT)-the Security Profile and Risk Assessment as well as the Trade Compliance aspect of the program. The due diligence and reporting requirements for CTPAT Risk Assessment and Security Profile are similar to Canada's Partners in Protection program. The CTPAT-Trade Compliance segment is much more focused on the areas of forced labor and customs compliance, and is designed as a separate part of the CTPAT program to give those companies who can demonstrate detailed and diligent oversight of their supply chains an opportunity to participate at the highest level with CBP.

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

REQUIREMENT (b)-POLICIES AND DUE DILIGENCE PROCESSES

WSI 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. WSI 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.

We 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.

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.

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.

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. We continuously review these metrics to ensure continuous improvement.

DUE DILIGENCE

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.

REQUIREMENT (c)-FORCED LABOR AND CHILD LABOR RISKS

We assess modern slavery risks in our operations and supply chains 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. A majority of our merchandise purchases are 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.

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

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. More recently, 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.

More recently, 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.

REQUIREMENT (d)-REMEDIATION MEASURES

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.

REQUIREMENT (e)-REMEDIATION OF LOSS OF INCOME

While we do not participate directly in remuneration of families who may be at risk of lost income due to the company's high labor standards, the Company does participate in a variety of programs designed to ensure a sustainable work environment, such as Fair Trade Certified™. "Fair Trade USA™ audits our factories against rigorous social, economic, and environmental standards. The Fair Trade Certified label promotes sustainable livelihoods, protection of the environment, and strong transparent supply chains." We sell thousands of Fair Trade Certified™ products across all our family of brands.

REQUIREMENT (f)-TRAINING

Sourcing team members are trained on required Vendor/Supplier employment practices and working conditions, including policies on involuntary labor, human trafficking, child labor and forced labor. WSI associates are required to uphold the tenets listed in the WSI Vendor/Supplier Code of Conduct and are subject to disciplinary measures, including termination, for failing to abide by all applicable laws and company standards.

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 labor, forced labor they may see while visiting vendors. This training is done regularly and will also be done as needed when determined by the Company. WSI also provides trainings to vendors regarding its labor standards and Code of Conduct, including human trafficking and slavery issues, as well as on-boarding trainings for new factories joining WSI's business.

Moving forward, training on forced labor will be included in onboarding materials and as an annual refresher. We also worked with an external party to provide training and resources for our traceability working group, outlining best practices in supply chain mapping and the implementation of a traceability management system.

REQUIREMENT (g)-ASSESSING EFFECTIVENESS

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](#).

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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.

Approval and Attestation

This report was approved by the Board of Directors of WSCI.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.


Laura Alber (May 30, 2024 14:47 PDT)

Laura Alber
President, Williams-Sonoma Canada, Inc.
CEO, Williams-Sonoma, Inc.

May 30, 2024

I have the authority to bind Williams-Sonoma Canada, Inc.