Williams-Sonoma Inc - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Williams-Sonoma, Inc., incorporated in 1973, is an omni-channel specialty retailer of high-quality products for the home. In 1956, our founder, Chuck Williams, turned a passion for cooking and eating with friends into a small business with a big idea. He opened a store in Sonoma, California to sell the French cookware that intrigued him while visiting Europe but could not be found in America. Chuck's business, which set a standard for customer service, took off and helped fuel a revolution in American cooking and entertaining that continues today.

In the decades that followed, the quality of our products, our ability to identify new opportunities in the market and our people-first approach to business facilitated our expansion beyond the kitchen into nearly every area of the home. Our decades-long foundation in values leadership and commitment to "Good By Design" set the foundation for resilience and agility that this past year required. Our company outperformed the industry, and we met and exceeded many of our sustainability goals, demonstrating that a strategic approach to ESG can deliver business, social, and environmental impact. Our company strategy is driven by our key differentiators: our in-house design, our digital-first strategy and our values. These differentiators — including our core values — have become increasingly important in setting us apart and orienting us towards the future. Through our commitment to the three pillars of Planet, People and Purpose, we prioritize the health of our planet, the wellbeing of our people and a shared sense of purpose — the imperative to foster long-term, sustainable growth for our company and to drive positive change in our industry. Our customers have come to trust and depend on our brands for beautifully designed, high-quality, sustainable products and we've helped set the standard for the home furnishings industry. Today, over 40% of our products are sustainably sourced or made, and we will consistently grow that number to 75% through 2030. We speak to our "Good By Design" commitment and our pillars on our sustainability website, which details our progress to public goals and our enhanced disclosures aligned with an environmental, social, and governance framework.

Today, Williams-Sonoma, Inc. 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. We operate in the U.S., Puerto Rico, Canada, Australia and the United Kingdom, offer international shipping to customers worldwide, and have unaffiliated franchisees that operate stores in the Middle East, the Philippines, Mexico, South Korea and India, as well as e-commerce websites in certain locations.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	February 3 2020	February 2 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.
Australia
Canada
China
India
Indonesia
Italy
Philippines
Portugal
Puerto Rico
Singapore
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	i) Position of individuals: The Nominations, Corporate Governance and Social Responsibility Committee (the "Committee") of the Company's Board of Directors oversees Corporate and Social Responsibility matters, including climate-related issues. The Committee is comprised of 3 Directors who monitor the Company's environmental, social and governance policies and advise on policies and strategies that could help our social and environmental impact and risk profile. ii) Please explain: The Committee engages regularly with management on climate-related issues, for example, approving updates to WSI's climate and environmental strategy and policy disclosures and receiving quarterly updates on WSI's climate and environmental-related goals and achievements. Additionally, the Audit & Finance Committee, composed solely of directors who are independent in accordance with New York Stock Exchange listing standards, meets periodically with the Company's independent auditors, the Company's internal auditors, and management to advise the Board and management on policies and strategies pertinent to our Risk Management process. Management of sustainability is led by our Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development, who is responsible for coordinating a cross-functional team of subject matter experts, as well as a dedicated, global team of Sustainability professionals. These cross-functional leaders determine the strategies, policies and goals related to our ESG strategy, and regularly report to and seek input from the Committee on those matters, including climate-related issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Monitoring implementation and performance of objectives	<Not Applicable>	The Nominations, Corporate Governance and Social Responsibility Committee (the "Committee") of the Company's Board of Directors oversees Corporate and Social Responsibility matters, including climate-related issues. The Committee is comprised of 3 Directors who monitor the Company's environmental, social and governance policies and advise on policies and strategies that could inform our social and environmental impact and risk profile. The Committee engages regularly with management on climate-related issues; for example, approving updates to WSI's climate and environmental strategy and policy disclosures, receiving quarterly updates on WSI's climate and environmental-related goals and achievements and reviewing WSI's recent Science-Based Target. The Board of Directors' review of environmental and social topics is obtained through the updates it receives from the Committee. Additionally, WSI's EVP of Sourcing, Quality Assurance, and Sustainable Development leads ESG strategy and reports to the Committee at each meeting. The organization's dedicated Sustainability team presents to the full board at least once a year to monitor and review existing and proposed strategy, goals and targets. The Audit and Finance Committee, composed solely of Directors who are independent in accordance with New York Stock Exchange listing standards, meets periodically with the Company's independent auditors, the Company's internal auditors, and management to advise the Board and management on policies and strategies pertinent to our Risk Management process.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify (Board-level committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Oversight of WSI's Sustainability Strategy, including climate-related issues, starts with the Board of Directors and carries through the entire supply chain organization. The Nominations, Corporate Governance and Social Responsibility Committee (the "Committee") of the Company's Board of Directors oversees Corporate Sustainability and Social Responsibility matters, including climate-related issues. The Committee is comprised of 3 Directors who monitor the Company's 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. Additionally, the Audit & Finance Committee, composed solely of directors who are independent in accordance with New York Stock Exchange listing standards, meets periodically with the Company's independent auditors, the Company's internal auditors, and management to advise the Board and management on policies and strategies pertinent to our Risk Management process.

The Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development leads both the organization's dedicated global team of Sustainability professionals, as well as a working group of cross-functional leaders. Together, they determine strategies, policies and goals related to sustainability and regularly report to and seek input from the Committee on those matters, including climate-related issues. Climate-related issues are monitored in a variety of ways, from tracking and reporting on GHG emissions in our operations, to tracking and reporting on our responsibly sourced material initiatives, to identifying and assessing climate-related supply chain risks.

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. Additionally, climate risk is integrated into our enterprise-wide Risk Management process.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventized	Comment
Other, please specify (Corporate employees)	Non-monetary reward	Other (please specify) (Company-wide public-facing goals around responsibly sourced material, reduced energy consumption and emissions, and landfill diversion)	Select corporate employees are asked to include sustainability goals in their annual objectives and are evaluated on these goals in annual performance reviews. Many cross-functional teams across the company are involved in our climate-related goals and are evaluated on performance to these goals during annual reviews.
Executive officer	Monetary reward	Supply chain engagement	The Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development has concrete climate-related sustainability goals in her annual objectives and is evaluated on these goals in her annual performance reviews.
Management group	Monetary reward	Supply chain engagement	The Sustainability team has concrete climate-related sustainability goals in their annual objectives and is evaluated on these goals in annual performance reviews.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	5	
Long-term	5	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

i) Definition of substantive financial or strategic impact: An impact in which our business, financial condition or operating results could be harmed substantially, which could cause the market price of our stock to decline materially.

ii) Quantifiable indicator of substantive financial or strategic impact: Requires a year-over-year minimum impact of 10bps on operating margin or $6M.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Climate-related risks are included in our annual Risk Assessment process and reflect geopolitical and global forces, as well as company-specific considerations. We use an industry standard five-step integrated end-to-end process to identify progress in addressing specific risks. WSI's risk management process identifies risks most material to the business on an annual basis. This process involves steps to ensure input is collected from across the organization. Senior management across the company provides input into which risks and opportunities could have a substantive financial or strategic impact to the business. Further follow-up work is done on our most significant risks as required. Short-, medium-, and long-term risks are included in the risk identification and management process. Key risk owners are identified and provide brief risk summaries that include steps taken to mitigate the risk, and annual plans and goals to continue to mitigate the risk. A discussion of these risk areas is addressed at meetings of the Board at least annually. For example, physical supply chain risk is always included as a significant risk. This includes acute climate-related natural disasters (e.g. floods, droughts) or chronic climate impact that results in volatile commodity cost. Mitigation entails a balanced global vendor landscape and materials sourcing strategy. Transition risks, such as brand reputation in contributing to a low carbon economy, are also considered as part of this process. Mitigation entails developing clear policies around high impact product categories, such as lighting, and establishing clear goals to work towards efficiencies, such as transitioning to energy-efficient LED lighting.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation often affects costs in our operations and supply chain. Teams within our company regularly monitor all current regulations and adjusts company-wide policies as a result. For example, in states with Mattress Stewardship legislation, we work to allocate funds to recycling and recovery operations and more broadly extend these practices across our supply chain. These types of regulatory risks are included in the company's climate-related transition risks assessments.
Emerging regulation	Relevant, always included	We follow emerging regulations at the international, federal, state and even city-level to understand the possible future implications for our costs and ability to operate. For example, our teams regularly track regulation related to chemicals (such as REACH and Prop 65 in California) and integrate that expertise into our framework for preferred and innovative materials from a carbon lens. These emerging regulatory risks are included in the company's climate-related transition risks assessments using a best to worst case range of regulation scenarios.
Technology	Relevant, always included	Technology risks are considered in how we manage costs and meet reduction targets in our operations and supply chain. For example, incorporating climate-related metrics in selecting assets or retrofitting existing assets (such as lighting, HVAC, or investment in automated boxing machinery).
Legal	Relevant, always included	WSI has not received climate-related litigation claims in the past. As a retailer, the majority of our emissions, and potential driver of climate-related litigation, exists in our value chain where we purchase goods but are not legally responsible for the emissions of our manufacturing and service providers. There is a low risk of litigation related to the sourcing practices we undertake. For example, if WSI is found using raw materials that either go against our stated goals of sustainably sourced materials or are illegally sourced, we may be subject to litigation. Similarly, if we fail to maintain a stringent verification process for sustainability marketing and certification claims on product tags, online copy, and in broader marketing claims, we may be subject to litigation.
Market	Relevant, always included	If climate change were to lead to market uncertainty or disruption, we may face reduced demand for the products we sell. Any prolonged adverse conditions or sustained uncertainty or disruption about markets in which we operate or the economy in general could adversely impact consumer confidence, causing our customers to delay purchasing or determine not to purchase our products. Our marketing, merchandising, and inventory distribution teams use internal and external consumer insights to evaluate these risks and we adjust our in-stock inventories based on these insights. For example, our outdoor furniture and holiday decor are seasonal businesses that require a specific inventory to be sold through within a discrete time frame.
Reputation	Relevant, always included	Our reputation could be damaged if we do not (or are perceived not to) act responsibly with respect to any social or sustainability matters (including climate-related issues), which could negatively impact our business and results of operations. Investors and customers are beginning to ask WSI about climate change impacts to the business and how they are incorporated into the company's strategy. If we fail to adequately address investor concerns about climate change and sustainability, our reputation could be harmed. If we fail to maintain a stringent verification process for sustainability marketing and certification claims on product tags, online copy, and in broader marketing claims, our reputation with consumers could be harmed.
Acute physical	Relevant, always included	Any event causing a disruption or delay of imports from foreign vendors or to our domestic supply chain, could increase the cost, reduce the supply of merchandise available to us, or result in excess inventory if merchandise is received after the planned or appropriate selling season.
Chronic physical	Relevant, always included	Our success depends, in large part, upon our ability to identify and analyze factors affecting our business and to anticipate and respond in a timely manner to changing merchandise trends and customer demands in order to maintain and attract customers. For example, in the specialty home products business, style and color trends are constantly evolving, so we must manage our inventory effectively and commensurate with customer demand.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Approximately 65% of our merchandise purchases in fiscal year 2020 were sourced from foreign vendors, predominantly in Asia and Europe. Extreme weather events that disrupt global supply chains could cause a disruption or delay of imports from foreign vendors.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Production delays can impact our ability to meet customer demand for merchandise resulting in loss of revenue.

Cost of response to risk

Description of response and explanation of cost calculation
Approximately 65% of our merchandise purchases in fiscal year 2020 were sourced from foreign vendors, predominantly in Asia and Europe, and we are the 13th largest importer in the U.S. by container volume. Temporary disruption of production capacity within our supply chain or transportation could result in delays of goods manufactured and shipped to meet customer demand. Our estimated impact ranges from an extreme weather event that affects production in one country to an extreme weather event that affects a raw material supply chain or transportation channels and impacts multiple countries. We maintain a balanced global landscape of vendors and invest in long-term partnerships to create a more resilient supply chain.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description

Many key inputs and processes in our supply chain are water and carbon intensive, introducing risk of scarcity due to drought or other supply issues, disruption in availability, and price volatility. For instance 50% of the cotton we source is produced in India and Pakistan, which are primarily rain-fed crops. Drought in these countries could cause significant shortages of cotton in our supply chain.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cotton represents approximately 1/3 of our textile business. Potential disruptions in our cotton supply chain could result in increased direct costs due to higher cotton prices in an affected country or due to shifting production to a new manufacturing country. Our commitment to responsibly sourced materials and investment in supply chain mapping will inform our footprint reduction strategy, alongside our continued responsibly sourced material (wood and cotton) commitments and our launch of an alternative, lower-impact material framework and strategy to guide our cross-functional teams beyond cotton and wood.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description

Physical risk to infrastructure, assets, and supply chain from increased frequency and intensity of extreme weather events, such as wildfires, floods, or hurricanes and labor risk from displaced populations. There is the potential for impact on revenue due to increased product cost and the loss of demand due to availability of materials.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Disruption in operations or material availability due to climate-related events could impact our ability to maintain production. For example, in 2020, we experienced power outages in our Cranbury, NJ distribution center due to extreme weather events and had to rely on generator power to keep the building operational. Additionally, we operate our own upholstery factory in Claremont, NC and 2020 disruptions in the supply chain for upholstery foam due to hurricanes and ice storms in Texas led to supply challenges and shortages that impacted our ability to plan for production and meet customer demand.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
With a strong family of brands and a legacy of quality, durable products, we are exploring new business models related to the circular economy, which could bring in new customers and new revenue streams that do not exist in our current business model. In 2020, we launched a new program called Pottery Barn Renewed, taking damaged and returned textile products after cleaning and repairing and offering them for resale to customers at discounted prices. Over 40% of inventory was sold the first week of launch, and the collection continues to generate press and new customers. Across our retail stores, we're testing circular pilots. In the Northeast, we partnered with white-glove resale site AptDeco to resell floor models and lightly damaged products, diverting them from landfills into homes. We're exploring other partners, as well—using digital, direct-to-consumer resale sites to streamline the second-hand selling process.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Our ability to participate in the circular economy is dependent on multiple factors including technology, infrastructure, sustainability impact, and customer receptiveness. We are actively piloting and gathering key financial data and learnings to inform a scaled model.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
WSI is developing plans to expand renewal and resale programs to new brands and product categories by leveraging our cross-brand potential, as well as shared distribution center network and technology systems.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description

With consumer preference shifting towards sustainable options, we are one of the only large-scale home furnishing retailers with a broad assortment of certified organic, FSC, reclaimed and recycled, and TENCEL products. A survey of our customers found that they are 40% more likely (than the average customer) to prioritize social and environmental factors when choosing products, and 70% of our customers 35 and under say sustainability and social impact play a significant role in deciding where to shop (across all WSI brands). At the end of 2020, 40% of all products sold by WSI carried at least one environmentally or socially beneficial certification or attribute. In addition, our brands have reduced the number of promotions and sales reflecting a growing willingness of customers to pay full price for products that meet their expectations and meet environmental and social preferences. We outperformed our industry in 2020, growing our business by 15% and demonstrating sustainable growth.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Responsibly sourced products represent a significant portion of our business today. The financial impact represents the portion of our business currently categorized as responsibly sourced.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
We set ambitious targets to achieve 50% responsibly sourced wood and 100% responsibly sourced cotton by 2021 and worked with our suppliers to develop products to the rigorous standards of some of the leading environmental certifications available today. By the end of 2020, we exceeded our 50% responsibly sourced wood goal one year early, reaching 65%, and were on track to our cotton goal at 89% responsibly sourced cotton. Moving forward, we are examining responsibly sourced materials beyond cotton and wood, and evaluating our potential impact through an emissions-reduction lens. As part of this process, we created a team focused on material innovation across product categories and brands. Research will include plastic, foam and polyester alternatives alongside materials with low environmental impacts. A Materials Specialist oversees innovations and helps track our progress against goals.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Markets

Primary climate-related opportunity driver
Other, please specify (Brand reputation and customer loyalty)

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Consumers increasingly expect companies to offer sustainable options and invest in tackling societal challenges like climate change. According to a Pottery Barn survey, our customers are 3x more likely (than the average consumer) to be in environmentally-focused households, and a survey of customers across WSI brands found that 70% of our customers 35 and under say sustainability and social impact play a significant role in deciding where to shop. Our continued ability to offer quality, well-designed products with core sustainability attributes that carry from material to production and delivery enables us to meet consumer needs.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact represents the potential returns by capturing additional market share in the home furnishings category.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Examining materials through the lens of emissions, we're developing a strategy to transition from high-emitting materials to lower-impact options like recycled, circular and certified materials from sustainably managed sources. We will continue to invest in credible certifications that allow us to market product sustainability attributes to our customers, and develop the infrastructure necessary to increase our monitoring, traceability, and reporting capabilities. More than ever, customers are attuned to the social and environmental impact of the products they buy. By embedding our responsible materials strategy into product development, we will continue to capture customer demand. We lead our industry in quality, performance and third-party-certified product selection. By setting and meeting a Science-Based Target for emissions reduction, we're also poised to lead in the development of low-carbon materials while capturing demand for low-impact products. We are also committed to marketing that is transparent and honest, allowing our customers to make informed choices about the products they purchase. We comply with state and federal marketing laws and regulations, internally review and, as needed, work with third-party certification organizations to verify product claims. Suppliers must comply with WSI's responsible material sourcing policies and guarantee product supply chains are in compliance. Policies such as Fiber Procurement and Wood & Paper Procurement detail our commitment to legal, ethical and responsible procurement of key materials. We require that all vendors participate in fiber and wood surveys to ensure they meet our standards, and our products are accurately marketed to customers. After a vendor is onboarded, they are required to provide up-to-date and relevant chain-of-custody certifications and supporting documentation. Internally, we publish a quarterly list of vendor certifications and scopes to our global design, sourcing and merchant teams, and we hold regular trainings on certifications and standards. We maintain up-to-date vendor chain-of-custody certificates and regularly collect and verify transaction certificates to support marketing claims. As we set goals for the next decade to reach 75% responsibly-made products, we're deepening our commitments to responsible materials and ethical production.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	We aim to include our low-carbon transition plan in our reporting within the next two years.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Internal cross-functional risk assessment in five areas: environment, social, governance, tariffs & trade, and product safety & quality.)	Climate-related risks are included in an annual assessment and reflect geopolitical and global forces as well as company specific-considerations. We use a five-step integrated end-to-end process to identify progress in addressing specific risks. We group main risk areas in the following categories: environmental, social, governance, trade & tariffs, and product safety & quality. The 5-steps in this process are: identify, assess, plan, monitor, and control.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Evaluation in progress	We have set goals to increase our use of responsibly sourced materials in our products with the understanding that these will have environmental benefits. We're still evaluating the environmental impacts of these preferred materials and will quantify those impacts in future reports. We use existing LCA information to measure the environmental impacts of certified materials, such as organic versus conventional cotton, and are incorporating those calculations in our scope 3 assessment. We have incorporated these calculations in our 2030 Science-Based Target and are using them to inform our preferred materials framework and strategy.
Supply chain and/or value chain	Evaluation in progress	We maintain a balanced global landscape of vendors and invest in long-term partnerships, vendor compliance, and resilience. We made the Higg Index mandatory for our top suppliers representing approximately 83% of our direct product spend and will use that data to implement a targeted reduction strategy in our broader supply chain.
Investment in R&D	Yes	In 2020, we assembled a preferred material research and development team to support our work in developing products with lower environmental impacts. We incorporated this research into our product development strategy as a component of our Science-Based Target. We also launched a database of vetted and approved innovative materials for our product development, in-country sourcing, design and merchandising teams to access across all of our brands.
Operations	Yes	We have measured our Scope 1 and 2 emissions since 2011 and used that information to invest in retrofits and reduction projects each year. Major initiatives include retrofitting or redesigning 391 stores (67% of our 581 locations in 2020) and 30 offices, call centers, distribution centers and U.S. factories (50% of our 60 non-retail locations in 2020) with LED lighting. We will continue upgrading to more energy-efficient equipment and retrofit lighting, which not only reduced our energy footprint, but delivered savings and positive ROI. These initiatives enabled us to reduce the carbon and electricity intensity of our operations year-over-year, even as our revenues continued to grow. In 2020, we transitioned from an annual year-by-year reduction strategy to a long-term, comprehensive reduction target across Scopes 1, 2, and 3. We included reductions in operational emissions as a component of our Science-Based Target, with a 50% absolute reduction in Scope 1 and 2 from a 2019 baseline, and have gone beyond that with a goal of being carbon neutral in our operations by 2025.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures	Any event causing a disruption or delay of imports from foreign vendors, our third-party freight carriers, or our facilities and systems could increase the cost, reduce the supply of merchandise available to us, or result in excess inventory if merchandise is received after the planned or appropriate selling season, interrupt our business, or impact our customers, all of which could adversely affect our business, financial condition and operating results. Time horizons covered are short and medium term.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

At Williams-Sonoma, Inc. we understand that the planet needs urgent progress to combat the worst effects of climate change. As a multinational retailer with a global value chain, we are committed to environmentally responsible practices across our business — designing and sourcing responsible products, reducing waste, and working with suppliers to lower emissions and adopt sustainable business models. By managing resources responsibly, we increase our capacity to adapt to resource scarcity, global uncertainty, changing technologies and future environmental and social challenges. Our climate strategy began in 2006 when we first partnered with the Forest Stewardship Council®. In 2011, we began reporting on Scope 1 and 2 emissions, and we've reduced our carbon intensity year-over-year ever since. In 2020, we expanded to an enterprise-wide strategy across our value chain (Scopes 1, 2 and 3). Informed by both risks and opportunities, our strategy is built on supply chain resilience. As pandemics and extreme weather events grow more frequent, supply chain disruptions pose an increasing risk to our business. In response, we're mapping our supply chain to enhance traceability of our materials and production, enabling greater visibility into opportunities and risks. We continue to set targeted, but reachable, goals in these areas to help build on our achievements to-date. We set ambitious commitments to achieve 100% responsibly sourced cotton and 50% responsibly sourced wood by 2021. Currently, we are examining materials beyond cotton and wood, evaluating our potential impact through an emissions-reduction lens. Alongside this work, we are deepening our commitment to transparency and exploring systems for better documentation and tracking material content. We have a working group of packaging engineers across our brands, global sourcing teams and distribution centers to share best practices while setting new recyclability and reduction targets. And we worked with third-party consultant Anthesis to conduct a comprehensive mapping of our Scope 3 footprint, the results of which were presented in our 2019 CDP Climate Disclosure and with 2020 results included here. We used this information to develop and commit to a Science-Based Target for reduction, made public in April 2021, with a 10-year, 50% absolute Scope 1 & 2 reduction and a 14% absolute Scope 3 reduction by 2030 from a 2019 baseline. Our integrated supply chain and leadership in sustainable materials positions us well for the future. Our work has earned recognition across our industry, including rankings in the Textile Exchange top 10 global company list for preferred fibers; the Sustainable Furnishings Council's top scoring global company for sustainable wood furniture; REPREVE's Champion of Sustainability Award for keeping 66 million plastic bottles out of landfills; and Barron's 100 Most Sustainable Companies for four years running. We recognize our contribution to climate change and are committed as a company to mitigating the risk in our supply chain and participating in and leading collective efforts to address this global challenge. We not only use our purchasing power to impact our contribution, but also our brands' voices and the power of storytelling to reach our audience of customers.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2021

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
92338

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
46169

Covered emissions in reporting year (metric tons CO2e)
77105

% of target achieved [auto-calculated]
32.9940003032338

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
We announced our public Science-Based Target in April 2021 with a goal year of 2030: 50% absolute reduction in Scope 1 and 2 emissions and 14% absolute reduction in Scope 3 emissions from PG&S, downstream transportation, and use of sold product. We also set a goal to be 100% carbon neutral in Scope 1 and 2 emissions by 2025. To achieve these goals, we're prioritizing emissions reduction across our value chain, from our factories to customer homes. Our emissions reduction plan includes the following priorities: Scopes 1 and 2: Our Operations EFFICIENCY- We'll retrofit systems and upgrade to more energy-efficient equipment across our offices, stores and distribution centers, reducing the energy used to power our operations. RENEWABLES- We'll install solar where appropriate, purchase green power when possible and support new renewable energy projects through power purchase agreements (PPAs). We have achieved emissions reductions through energy efficiency projects throughout the company as well as a reduced footprint in retail locations. We are tracking our energy use through efficiency software and looking for opportunities to continue to decrease. We anticipate approaching the limit of energy efficiency in our scope 1 and 2 emissions within 5 years and are exploring renewable energy solutions for our operations through PPAs or direct generation to further reduce emissions.

Target reference number
Abs 2

Year target was set
2021

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3 (upstream & downstream)

Base year
2019

Covered emissions in base year (metric tons CO2e)
3111120

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
82

Target year
2030

Targeted reduction from base year (%)
14

Covered emissions in target year (metric tons CO2e) [auto-calculated]
2675563.2

Covered emissions in reporting year (metric tons CO2e)
2796566

% of target achieved [auto-calculated]
72.218824272747

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
2°C aligned

Please explain (including target coverage)
We announced our public Science-Based Target in April 2021 with a goal year of 2030: 50% absolute reduction in Scope 1 and 2 emissions and 14% absolute reduction in Scope 3 emissions from PG&S, downstream transportation, and use of sold products. We also set a goal to be 100% carbon neutral in Scope 1 and 2 emissions by 2025. To achieve these goals, we're prioritizing emissions reduction across our value chain, from our factories to customer homes. Our emissions reduction plan includes the following priorities: Scope 3: Our Value Chain MATERIALS- Some of our highest emitting materials are wool and polyester, so we're developing a materials strategy and switching to lower-impact options like Responsible Wool Standard certified wool and recycled polyester. TRANSPORTATION- Through increased direct-to-consumer sales and more efficient delivery, we're ensuring our customers receive our products in the lowest-impact way. PRODUCTION- We collected suppliers' environmental data to develop supplier strategies. Together, we'll set targets for emissions and renewable energy and track yearly progress. PRODUCT USE- We're working with representatives from each of our brands to offer the most energy-efficient options for appliances and lighting.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2016

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (100% responsibly sourced cotton)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2016

Figure or percentage in base year
42

Target year
2021

Figure or percentage in target year
100

Figure or percentage in reporting year
89

% of target achieved [auto-calculated]
81.0344827586207

Target status in reporting year
Underway

Is this target part of an emissions target?
Not directly, however, our focus is on reducing the use of conventional cotton in our textile products and converting to lower-carbon emitting cotton fibers like organic, recycled, and BCI.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)

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. We also maintain a public fiber policy: https://sustainability.williams-sonomainc.com/2020/03/12/williams-sonoma-inc-fiber-procurement-policy/

Target reference number
Oth 2

Year target was set
2016

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (50% responsibly sourced wood)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2016

Figure or percentage in base year
43

Target year
2021

Figure or percentage in target year
50

Figure or percentage in reporting year
65

% of target achieved [auto-calculated]
314.285714285714

Target status in reporting year
Achieved

Is this target part of an emissions target?
Not directly, however, our focus is on promoting responsible forestry and the use of recycled and reclaimed wood materials which has positive effect on global carbon sequestration.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
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 3rd party risk assessment tools such as Preferred By Nature's Timber Risk Score). We also maintain a public wood and paper policy: https://sustainability.williams-sonomainc.com/2020/03/12/williams-sonoma-inc-wood-paper-procurement-policy/

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	1130
To be implemented*	1	4300
Implementation commenced*	0	0
Implemented*	40	1098
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
1098

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
250000

Investment required (unit currency – as specified in C0.4)
600000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Annual budget for LED lighting for newly constructed stores and retrofits.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
LED lighting and lamps

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (LED lighting significantly reduces energy required to operate and lasts longer than conventional lighting.)

% revenue from low carbon product(s) in the reporting year
4

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
February 3 2020

Base year end
February 2 2021

Base year emissions (metric tons CO2e)
12905.67

Comment
Scope 1 emissions decreased significantly in 2020 due to impacts of COVID, not only as a result of emission reduction initiatives.

Scope 2 (location-based)

Base year start
February 3 2020

Base year end
February 2 2021

Base year emissions (metric tons CO2e)
63355.22

Comment
Scope 2 emissions in our retail and office operations decreased significantly in 2020 due to impacts of COVID, not only as a result of emission reduction initiatives. Scope 2 emissions in our distribution centers also decreased, despite a significant increase in overall business year-over-year and total company growth of 15%.

Scope 2 (market-based)

Base year start
February 3 2020

Base year end
February 2 2021

Base year emissions (metric tons CO2e)
64199.45

Comment
Scope 2 emissions in our retail and office operations decreased significantly in 2020 due to impacts of COVID, not only as a result of emission reduction initiatives. Scope 2 emissions in our distribution centers also decreased, despite a significant increase in overall business year-over-year and total company growth of 15%.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
12905.67

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
63355.22

Scope 2, market-based (if applicable)
64199.45

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1804813

Emissions calculation methodology
PG&S was split into Indirect (non-retail) and Direct (retail) procurement categories in the inventory. Indirect procurement approach: FY2020 indirect spend data was mapped to EPA EEIO 2020 factors to calculate associated emissions. Product footprint approach: FY2020 product SKU procurement data, including some textile and wood material data at the SKU level, were used with a hybrid material and product LCA approach to calculate emissions. Emissions Factors used: Higg MSI and Higg Product Module (for product assembly assumptions), Ecoinvent, and 31 product LCA studies. We organized the product hierarchy using Department and Class categorizations to group products – then broke the inventory into two approaches: Material LCA (higher priority) & Representative Product LCA (secondary priority) Material LCA approach: We compared the Fiber material and Wood material files to the full product inventory to identify which products we could apply a material LCA to (Only products which were primarily composed of the listed material(s) would qualify for the material LCA method). Representative Product LCA approach: For all products without available material weight/volume information, we mapped LCA study factors to similar sets of products. Product weight data used for this calculation was refined with primary weight data in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
43

Please explain
With our second year of measuring our Scope 3 footprint we have refined our emissions calculation methodology and have applied this refinement to our 2019 base year emissions as well. We identified and corrected a fiber volume data error and have used improved product weights as well as LCA information to reach a more accurate assessment of our footprint. We have updated our 2019 baseline PG&S calculation to 2,031,725 MT. PG&S emissions are comprised of 92% product-based and 8% indirect-spend calculated emissions. WSI collects material data for all wood-based and textile products from suppliers and material LCAs were used to calculate our emissions using this supplier data, accounting for 43% of the total emissions in this category.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
45870

Emissions calculation methodology
FY2020 capital spend figures were mapped to EPA EEIO 2020 factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions in this category were calculated using spend data rather than data provided by suppliers. GL code mapping was improved in 2020 after switching to a new accounting tool.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
18987

Emissions calculation methodology
FY2020 primary energy and fuel data mapped to relevant emission factors. We applied 2020 DEFRA/IEA factors to each energy/fuel source annual consumption quantity and aggregated the resulting emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions in this category were calculated using spend data rather than data provided by suppliers.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
428267

Emissions calculation methodology
EPA EEIO 2020 analysis on FY2020 transportation spend by mode of transport as well as transport distance and fuel consumption. We multiplied the annual spend amounts against the appropriate factors and aggregated the emissions across all transportation categories.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions in this category were calculated using spend data as well as transport distance and fuel consumption from transportation providers.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
22789

Emissions calculation methodology
FY2020 waste from operations data by waste source and mapped to 2020 EPA WARM factors. We used waste tracking data from DC operations and store operations from waste service providers which identified types and volumes of waste materials and defined what proportion was recycled vs. sent to landfill. We mapped the waste categories to EPA WARM material categories and applied the relevant emissions factors based on disposal method. We aggregated the results across distribution center operations and stores.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Waste data was provided by waste and recycling service providers.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1091

Emissions calculation methodology
Combination of primary air, car rental and hotel stay data with indirect spend data on all other business travel categories. Emissions factors used: DEFRA, EPA, and EEIO factors. We used primary data for air travel, car rental, and hotel stays: For air travel we used the total trip mileage, type of trip (one-way, round trip), and seating class and applied this against DEFRA factors, which incorporated Radiative Forcing factors. For car rentals, we estimated miles traveled per day applied to the total days of the rental and applied relevant EPA fuel factors based on the type of vehicle. For hotels we used the total room nights by location to apply the relevant hotel stay factors from DEFRA. We used indirect spend for all remaining business travel categories based on the spend sub-categories, mapped these to the relevant EEIO categories and multiplied the factor against the FY2020 spend. We aggregated the emissions from air, car rental, hotel stay and all remaining business travel spend categories. Select spend categories were reclassified in 2020 to PG&S (e.g. meals, travel management companies).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
All data on air travel, hotel, and car rental is provided by our travel agencies. Note there was a significant decrease in business travel due to COVID in 2020.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
30936

Emissions calculation methodology
Estimate commuting distances based on employee home zip code and destination office/store address and assume modes of travel. Emissions factors used: US EPA 2020, eGRID 2021, and IEA 2020. We used headcount files that list each employee home city/country and zip codes. We extrapolated some average distances commuted in international locations. The facility location ID for each employee was used to calculate an average commute distance mileage based on the employee's home zip code and assumptions were made on the mode of transportation used based on US DOT data. In 2020 we allowed employees to work from home due to COVID and our calculations reflect estimated emissions related to work-from-home activities. These calculations also account for office/store open/closure dates due to COVID. Note there was a correction made to vehicle commuting emissions factor (DEFRA to EPA) in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions in this category were calculated using estimations based on employee addresses and work site addresses.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All leased asset emissions accounted for in our Scopes 1 & 2 emissions.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
339804

Emissions calculation methodology
Estimate consumer miles traveled and modes of transport to/from WSI brand stores. Emissions factors used: US EPA 2020. We used FY2020 brand sales to identify sales units by retail location. We distributed trips (i.e. transactions) across modes of travel used based on assumed ratio of frequencies (US DOT average data). We assume average miles traveled to the store (round trip) and apply the relevant EPA emissions factor based on mode of transport and the total estimated miles traveled. These calculations also account for office/store open/closure dates due to COVID. Note there was a correction made to vehicle commuting emissions factor (DEFRA to EPA) in 2020. Direct-to-customer delivery not paid for by WSI (deliveries) was included in 2020. Transaction data was refined in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions in this category were calculated using spend data rather than data provided by suppliers.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

WSI is a finished goods retailer and does not process goods for outside parties.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

651949

Emissions calculation methodology

We calculated direct use of energy-using products by estimating wattage, daily use and lifetime scenarios. Emissions factors used: eGRID (updated to 2020 factors). For energy use estimates: We mapped SKUs to the relevant products in the public Lawrence Berkeley Lab energy data to estimate wattage per product and referenced and average annual hours of use. For products life expectancy and annual energy consumption: We developed three scenarios in total – low, medium, high; The maximum life expectancy was taken primarily from DEER 2014 reference data, and then we scaled down from that maximum by 15% for the medium and low scenarios respectively. Key Assumptions: Lighting fixture assumes 1 lamp/fixture. Lighting hours assumed to be 3 hours/day in the "high scenario" to reflect DOE study on residential lighting. Adjusted the lighting fixture wattage to a weighted average of 28W based on the LED vs. incandescent breakdown. Applied the medium scenario to the final GHG inventory results. Energy-using product data was refined in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions in this category were calculated using department, class, and SKU data rather than data provided by suppliers, other than wattage information provided by bulb suppliers where applicable.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

85608

Emissions calculation methodology

We used the FY2020 product SKU file and mapped estimated product weights to 2020 EPA WARM material categories and average disposal methods. Emissions factors used: 2020 EPA WARM factors. We used the full list of SKU products data and applied EPA waste statistics to estimate % disposal methods by material type. We multiplied the total weights by material type against the relevant WARM factor and distributed against average disposal methods. Product weight data used for this calculation was refined with primary weight data in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions in this category were calculated using department, class, and SKU data rather than data provided by suppliers.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

WSI does not lease significant numbers of assets to other tenants that are not already included in our Scopes 1 & 2 emissions calculation.

Franchises

Evaluation status
Relevant, calculated

Metric tonnes CO2e
12765

Emissions calculation methodology
Estimate scope 1 and 2 emissions for each franchise location using FY2020 electricity and fuel usage data provided by the franchises. Emissions factors used: IEA (2020 with 2018 data); EPA (natural gas). We used franchise location, total electricity purchased, store square footage, and fuel usage for fleets to estimate the franchises scope 1 and 2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions in this category were calculated using consumption data provided by franchise operations.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Investments do not represent a significant source of emissions for WSI.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
WSI has no other upstream emissions to report.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
WSI has no other downstream emissions to report.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000011

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
77105.11

Metric denominator
unit total revenue

Metric denominator: Unit total
6783189000

Scope 2 figure used
Market-based

% change from previous year
27.41

Direction of change
Decreased

Reason for change
Many of our distribution centers, retail, and office locations were closed for a significant part of 2020 due to COVID, which accounts for a significant reduction in our carbon intensity. Electricity efficiency due to lighting retrofits and electricity grid cleaning were identified as additional drivers for reduction in emissions and increase in revenue in the denominator. We estimate electricity efficiency due to lighting retrofits (1,098 MT) and electricity grid cleaning (4,186 MT) reduced our absolute emissions 5% while revenue grew 15% accounting for a significant portion of our reduction in CO2e MT per revenue $.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	12860.47	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	7.88	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	37.31	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
North America	12283.01
Asia, Australasia	401.22
Europe	221.43

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Retail	5126.47
Non-retail	7779.19

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
North America	60814.51	61630.07	171297.69	0
Asia, Australasia	2459.47	2459.47	2895.86	0
Europe	81.24	109.91	275.93	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.
By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Retail	37741.43	40682.05
Non-retail	25613.79	23517.4

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	1098	Decreased	1.4	Energy efficiency/lighting retrofits: 1,098 MT/77,105 MT
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	4186	Decreased	5.4	Application of new 2020 eGrid factors: 4,186 MT/77,105 MT = 5.4%
Change in boundary	0	No change	0	
Change in physical operating conditions	11917.34	Decreased	13.33	Many locations closed for a significant portion of the year due to COVID resulting in a substantial reduction in emissions in retail and non-retail locations.
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	41448.88	41448.88
Consumption of purchased or acquired electricity	<Not Applicable>	0	174469.47	174469.47
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	7013.92	7013.92
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	222932.27	222932.27

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
2894.82

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
9.83

Unit
kg CO2 per gallon

Emissions factor source
2019-TCR-Default-EF| Table: 2.1 - Jet Fuel (Jet A or A-1), Table 2.7 - Jet Fuel

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
10335.93

MWh fuel consumed for self-generation of electricity
43.27

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
10.33

Unit
kg CO2e per gallon

Emissions factor source
2020-EPA-CCL Emissions-Factors-GHG-Inventories | Table 2, Table 4 - Light Duty Trucks

Comment

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1231.53

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
8.79

Unit
kg CO2e per gallon

Emissions factor source
2020-EPA-CCL Emissions-Factors-GHG-Inventories | Table 2, Table 3 - Light Duty Trucks 2018

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
26182.24

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
26182.24

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.05311

Unit
metric tons CO2e per million Btu

Emissions factor source
2021-EPA-CCL Emissions-Factors-GHG-Inventories | Table 1, Natural Gas

Comment

Fuels (excluding feedstocks)
Propane Liquid

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
804.36

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
5.74

Unit
kg CO2e per gallon

Emissions factor source
2021-EPA-CCL Emissions-Factors-GHG-Inventories |Table: 1.1, Petroleum Products, Propane

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	43.27	43.27	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Other, please specify (Recycling)

Metric value
36993

Metric numerator

Metric denominator (intensity metric only)

% change from previous year
15

Direction of change
Increased

Please explain
While our volume of recycling increased in 2020 our diversion rate was flat compared to 2019.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number
11

% total procurement spend (direct and indirect)
40

% of supplier-related Scope 3 emissions as reported in C6.5
81

Rationale for the coverage of your engagement
We identified and selected our highest-volume direct product suppliers representing a broad selection of product categories, manufacturing capabilities, and geographic locations to report to the 2020 Higg Facility Environmental Module (FEM) to capture energy, water, and chemical usage data from the most significant proportion of our supply chain where WSI can have the most influence and partnership.

Impact of engagement, including measures of success
While we are one of the only exclusively non-apparel brands in the Sustainable Apparel Coalition (SAC), we see the Higg tool as the best industry-standard for measuring environmental impact. We work to ensure its applicability across other categories and are a leader in its application in the home sector. In 2013, WSI began using SAC's Higg FEM in our vendor supply chain. In 2016, we worked with the SAC Higg verification pilot to verify data for 16 suppliers across furniture, textiles, and decorative accessories. Our measure of success is the inclusion of the home furnishings industry in the broader SAC agenda and the continued applicability of SAC tools, like the Higg, to factory production across a broad range of categories. While we encouraged suppliers to use the Higg FEM in the past, in the 2019 reporting year, we launched the tool to vendors representing 75% of our purchase-order volume and made it mandatory. We collected data from 217 factories representing nearly 70% of our spend. For the 2020 reporting year, we expanded our scope to our top suppliers, representing approximately 81% of our direct spend and comprising 90% of our Scope 3 PG&S footprint. Our goal is to reach 100% supplier engagement and participation over the next two years. Through the process, we're also working with the SAC to lead conversations around translating Higg tools for the home furnishings industry. Not only are we achieving milestones in our journey to reduce emissions, we are also driving industry collaboration to make manufacturing more sustainable.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Our internal engagement efforts focus on embedding ownership for climate priorities within individual functions. All new U.S. WSI associates are trained on our climate and environmental initiatives, including energy reduction and landfill diversion goals. We hold bi-annual meetings with each of our country offices across the globe and each brand to discuss progress to goals and strategies, by brand and managing office. In addition, we held a series of global information sessions explaining the announcement of our Science-Based Target, Carbon Neutral goal, and the broad 10-year roadmap to achieve them. We conduct deep-dive training for specialized teams, like merchandising and sourcing, on topics such as responsibly sourced and lower-impact materials. We engage regularly with cross-functional partners from brand packaging, retail operations, DC operations, procurement, and reverse logistics to further our commitments to waste reduction and circularity.

In 2020, we placed a major focus on packaging. While only 2% of our Scope 3 emissions, it is the most tangible topic for our customers and associates, and has downstream impacts on transportation and waste. We launched a cross-functional team across our brands to improve the customer unboxing experience. With shared goals to reduce waste and create a consistent customer experience, we examined the entire value chain—from the vendor, to the brand, to retail store supply closets, to the packing process in our distribution centers. We also joined the Sustainable Packaging Coalition to support our efforts and benchmark our progress. First and foremost, our goal is to ensure that the product reaches customers undamaged. Minimizing product damages reduces our environmental footprint and keeps waste out of landfills. Beyond that, our goals are to design packaging with more than 70% curbside-recyclable materials, using more than 70% recycled or responsibly sourced materials, such as FSC®-certified post-consumer recycled paper. We're also working with vendors to reduce packaging volume, using fewer materials to deliver packages more efficiently. Since 2017, we've reduced and eliminated 30M pounds of Styrofoam from our packaging.

Externally, our suppliers are a key constituency for engagement around our climate strategy. Suppliers are expected to ensure compliance with WSI's responsible raw material procurement and environmental protection policies. These expectations are outlined in our Vendor Code of Conduct and Implementation Standards, in which we define Environmental Protection requirements, including: Environmental Management Systems; Energy and Greenhouse Gas Emissions Requirements; Water and Wastewater Requirements; Air Emissions and Ozone Depleting Substances (ODS) Requirements; Solid Waste and Hazardous Waste Requirements; Chemical Management Requirements. These guidelines are designed to align with the Higg Index Facility Environment Module. To ensure the factories we use meet our environmental compliance standards, factories in our 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 on WSI audit standards and protocols. Suppliers are guided in developing an environmental strategy focused on performance improvements and impact reduction, and encouraged to evaluate and update their systems every 18 months.

Reducing the impact of production is a major driver in reaching our Scope 3 reduction goals. For the past two years, we made the Higg FEM mandatory for our major suppliers, and held a series of dedicated information sessions to support suppliers through completing the survey and interpreting its results. We shared our Science-Based Target publicly and directly with our suppliers. The environmental data we collect as part of the Higg FEM enables us to partner with suppliers and together set targets for emissions and renewable energy and track yearly progress.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Forest Stewardship Council - North America

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
FSC is developing a methodology to quantify forest carbon storage associated with FSC-certified forest management when compared to current mandatory practices from sovereign rules.

How have you influenced, or are you attempting to influence their position?
WSI is supportive of FSC's work on developing a forest carbon accounting methodology.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Oversight of WSI's Sustainability Strategy, including climate-related issues, memberships and associations, starts with the Board of Directors and carries through the entire supply chain organization. The Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development leads both the organization'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 ensures consistency in the company's influence on climate policy.

WSI also participates in many trade associations and we leverage our expertise and market influence to ensure industry alignment toward positive social and environmental impacts. Below is a brief overview of our trade association memberships/partnerships:

2007 – joined Textile Exchange (formerly Organic Exchange) and began offering our first organic cotton collections to consumers

2008 – joined World Wildlife Fund's Global Forest & Trade Network (GFTN) to develop traceability of wood in our supply chain and influence our suppliers to promote responsible forestry practices

2009 – joined Business for Social Responsibility (BSR) to work collaboratively with industry leaders to share best practices and influence positive social and environmental impacts globally

2010 – became a member of Forest Stewardship Council (FSC) as a voting member in the Economic Chamber to participate in the governance, adoption, and implementation of the FSC standard

2013 – joined Sustainable Apparel Coalition (SAC) as the first home furnishings retail member and adopted the use of the Higg Facility Environmental Module with our highest-volume suppliers to measure their environmental impact in our supply chain

2014 – became the first-ever Fair Trade Certified™ home retailer to ensure fair and ethical treatment of workers in our supply chain for finished goods manufacturers

2015 – became a member of Better Cotton Initiative (BCI) to support and train better farming practices with cotton producers in regions where our cotton is grown

2018 – became a member of Leather Working Group (LWG) to ensure our leather tanneries manage chemical usage responsibly

 2020 - became a signatory to the UN Global Compact, started the Sustainable Apparel Coalition's home furnishing working group, and joined as a member of the Sustainable Furnishings Council, Sustainable Packaging Coalition, and the WWF's Forests Forward, a performance-based program that engages diverse organizations and groups to improve forest management and responsible trade worldwide.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document

Page/Section reference
Announced WSI's Science-Based Target in our WSI 2020 Impact Report and a standalone announcement of the goals: https://sustainability.williams-sonomainc.com/wp-content/uploads/2021/06/WSI-2020-Impact-Report.pdf https://sustainability.williams-sonomainc.com/2021/04/22/wsi-commits-to-ambitious-climate-goals/ https://sustainability.williams-sonomainc.com/wp-content/uploads/2021/04/FINAL_SBT_Summary.pdf https://sustainability.williams-sonomainc.com/

Content elements
Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment
Electricity intensity ratio, carbon intensity ratio, and diversion rates reported.

Publication
In voluntary communications

Status
Complete

Attach the document

Page/Section reference
Press release of WSI's Science-Based Target

Content elements
Strategy

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

At Williams-Sonoma, Inc. (WSI) we understand that the planet needs urgent progress to combat the negative impacts of climate change. As a multinational retailer with a global supply chain, we are committed to environmentally responsible practices across our business — from designing and sourcing responsible products and reducing waste to working with suppliers to lower emissions and adopt sustainable business practices. By managing resources responsibly, we increase our capacity to adapt to resource scarcity, geopolitical uncertainty, changing technologies and future environmental and social challenges. Climate-related risks and opportunities have been ingrained in the way we do business for over a decade.

From the beginning, we embedded in-country sustainability teams within our supply chain, where we've been able to make a significant impact on responsible materials and labor. We see sustainability as central to a resilient business strategy, and the following timeline demonstrates how we've tied impactful goals to the business, met them, and expanded on them to integrate sustainability across our brands and business.

In 2006, we committed to using only FSC-certified paper in our brand catalogs. WSI achieved that goal in 2007 and have upheld it every year since. By 2008, we expanded our commitment by developing a public-facing responsible procurement policy for paper and wood products with a preference for FSC-certified forest products. WSI joined the leading nonprofit Textile Exchange in 2007 (formerly Organic Exchange) and we began offering our first organic cotton collections to consumers.

We believe that environmental impact, human rights, and health and safety go hand-in hand. In 2007, we instituted annual third-party factory audits to enforce our ethical sourcing and environmental compliance standards. That same year, we opened our U.S.-based Sutter Street Upholstery Factory in North Carolina, creating 30 skilled manufacturing jobs. We opened additional U.S.-based manufacturing facilities in Mississippi and California, leading to the creation of over 500 full-time positions by 2015 and reducing emissions tied to overseas sourcing and shipping, as well as excess inventory.

In 2008, we expanded our collaborations with independent, third-party organizations and began codifying our sustainability work. In 2008, we became a member of World Wildlife Fund's Global Forest & Trade Network (GFTN) to develop our approach to responsibly sourced wood procurement and establish a chain-of-custody documentation process to track and validate wood sources. That year also marked the first time we began a GHG inventory of emissions. Recognizing the growing importance of this work

and its primacy in our organizational strategy, we created a dedicated Sustainability Department in 2009.

We formalized our approach in 2010 with a comprehensive sustainability strategy. At that time, we integrated organic cotton, FSC-certified wood and paper, recycled packaging, and ethically sourced artisanal goods into our supply chain strategy. The following year, we published our first Corporate Responsibility Report using Global Reporting Initiative (GRI) guidelines and have continued to publish annual reports on our progress since. In 2011, we developed our Fiber Procurement Policy, which laid the foundation for setting, tracking and reporting to public goals.

In 2012, after establishing our process and baseline, we began publishing our progress. In this year, we first disclosed Scope 1 and Scope 2 emissions and have reported annually ever since, reducing our carbon intensity year-over-year since through investment in efficiency projects and lighting retrofits.

In 2013, we expanded our factory social compliance program to make our first public commitment to artisan through our West Elm brand, impacting 4,500 artisans across 20 countries. In 2014, we went on to become the first ever Fair Trade Certified™ home retailer, launching with one factory, one product category. Today we work with 16 Fair Trade Certified™ factories in 5 countries, offer Fair Trade product across all our brands, and more than doubled our 2020 goal to deliver $3M in community development funds to workers, reaching $7.2M in premiums by the end of 2020.

Also in 2014, we began the process of insourcing our vendor management and sourcing operations, opening offices across the globe. This transition, finalized in 2014, alongside vendor rationalization, has enabled us to have direct vendor relationships, leverage towards meeting our sustainability goals, and accountability and partnership from our vendor base. This direct sourcing infrastructure enabled us in 2015 to set ambitious new goals towards 100% Responsibly Sourced Cotton and 50% Responsibly Sourced Wood by 2021. As of year-end 2020, we achieved 89% Responsibly Sourced Cotton and exceeded our wood goal at 65% Responsibly Sourced Wood across all our brands. We also continued our leadership in other responsible materials like REPREVE recycled polyester, Tencel-lyocell and new lower-impact materials like hemp. By leveraging the purchasing power of all our brands, we have been able to drive significant progress across our social and environmental commitments. We joined the Sustainable Apparel Coalition as one of the few home furnishings retailers in 2012 and launched the Higg survey in our supply chain in 2013. We made completion of the Higg FEM mandatory for our major suppliers in 2019, and in 2020 worked with the SAC to lead conversations around translating Higg tools for the home furnishings industry. In 2015, we launched our Worker Wellbeing commitment and in 2017 we expanded our Fair Trade Certified™ work across all our brands, promising to deliver more than $3M in community development funds to workers by 2020, a goal that we doubled by the end of 2020.

In 2016 and beyond, we expanded our environmental commitments beyond materials and energy to waste and finishes. As a multi-channel retailer, we saw an opportunity to keep significant amounts of waste out of landfills. In 2016, we committed to 75% landfill diversion by 2021. This commitment also led to a renewed focus on packaging reduction and recyclability. We expanded our focus on certified nontoxic furniture with a commitment to 100% GREENGUARD certified company-produced Pottery Barn Kids bedroom and nursery furniture — a goal we met in 2020. By the end of 2020, we provided over 63,000 factory workers throughout Asia with education programs for health, financial literacy, and gender equality; we provided over 38,000 workers in India, Nepal, the Philippines, and Vietnam with eye exams and glasses; and we became the first retailer to adopt the Nest Seal for Ethical Handcraft, impacting 3,600+ artisans. In 2019, to provide greater transparency into our sustainability goals and further integrate corporate responsibility into our business, we transitioned our sustainability strategy to an Environmental, Social and Governance (ESG) framework focused on Planet, People and Purpose and increased disclosure. In our 2019 and 2020 Impact Reports, we broke out Scope 1 and 2 emissions and waste data by facility type for the first type. We provided new information on our major fiber and wood types, as well as energy savings from our organic cotton use. We also disclosed to the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) frameworks.

As we meet goals we set in 2015, we're setting new targets for 2030. These long-term goals are centered on building the best products and the most inclusive company. In April 2021, we set and announced our Science-Based Target to reduce Scopes 1 & 2 emissions by 50% and Scope 3 emissions by 14% in absolute terms by 2030, based on a 2019 baseline. Our SBT has been reviewed and approved by the Science-Based Target initiative. An ambitious decade-long timeline, it requires concrete changes now, but also leaves room for us to adapt, refine and raise our targets along the way. We're measuring our performance and reporting on our progress annually, always in search of improvement. By managing resources responsibly, caring for our people and uniting around our values, we lay the foundation for a more resilient company.

In 2020, we became signatories to the UN Global Compact, affirming our long-standing commitment to the 17 UN Sustainable Development Goals, a global framework for achieving a better future for all by 2030. Today, over 40% of our products are sustainably sourced or made, and we'll consistently grow that number to 75% through 2030. Our customers have come to trust and depend on our brands for beautifully designed, high-quality, sustainable products. We've set the standard for the home furnishings industry — from being the first Fair Trade home retailer, helping create and launch the Nest Seal of Ethical Handcraft, and becoming an early member of the Sustainable Apparel Coalition, where we've adopted their tools and helped create a coalition of sustainable home companies. Our goal is to offer the largest assortment of responsibly made products in the home furnishings industry, creating a company that's truly good by design.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	EVP of Sourcing, Quality Assurance, and Sustainable Development	Other, please specify (EVP)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms