

September 3, 2024

Ms. Nancy Sienko, Director Ms. Roberta Steele, Regional Attorney U.S. Equal Employment Opportunity Commission 450 Golden Gate Avenue 5 West, P.O. Box 36025 San Francisco, CA 94102-3661

Investigation Request: Unlawful Racial Discrimination by Williams-Sonoma, Inc.

Dear Ms. Sienko and Ms. Steele:

America First Legal Foundation ("AFL") is a national, nonprofit organization working to protect the rule of law, due process, and equal protection for all Americans.

The Company's employment practices, as described below, are seemingly designed and intended to discriminate against white men solely because of their skin color or sex. This is patently unlawful. See 42 U.S.C. §§ 2000e-2(a), (d). Accordingly, we write pursuant to 29 C.F.R. § 1601.6(a), which provides that "Any person or organization may request the issuance of a Commissioner charge for an inquiry into individual or systemic discrimination" to request that the Equal Employment Opportunity Commission open an investigation into Williams-Sonoma, Inc. (the "Company" or "Williams-Sonoma") for violating Title VII of the Civil Rights Act of 1964.

I. Background

Williams-Sonoma, Inc. describes itself as "the world's largest digital-first, design-led and sustainable home retailer. The company's products, representing distinct merchandise strategies — Williams Sonoma, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, West Elm, Williams Sonoma Home, Rejuvenation, Mark and Graham, and GreenRow — are marketed through e-commerce websites, direct-mail catalogs and retail stores." It is incorporated under the laws of Delaware and has its

¹ Muldrow v. City of St. Louis, Missouri, 144 S. Ct. 967, 974 (2024) (internal citations omitted); United Steelworkers of Am. v. Weber, 443 U.S. 193, 208 (1979); Johnson v. Transp. Agency, 480 U.S. 616, 621–41 (1987); see also Bostock v. Clayton Cnty., Georgia, 590 U.S. 644 (2020).

² Williams-Sonoma, Inc. Announces Quarterly Cash Dividend, Bus. WIRE (June 13, 2024), https://perma.cc/DQS2-23W7.

principal office located at Williams-Sonoma, Inc., 3250 Van Ness Avenue, San Francisco, CA 94109.3

II. The Company admits race, color, and sex are motivating factors in its employment practices

An unlawful employment practice is established when the evidence demonstrates that race, color, religion, sex, or national origin is a motivating factor for any employment practice. 42 U.S.C. § 2000e-2(m). However, the Company admits to limiting, segregating, or classifying employees or applicants for employment and new business in ways that would deprive, or tend to deprive, white and/or male individuals of employment opportunities because of their race, color, sex, or national origin. In fact, the Company describes, repeatedly and in detail, its commitment to promoting and hiring based on skin color, sex, and sexual orientation. For example, its website reports:

- "Our Board is comprised of individuals qualified to advise our executive team based on their skills, knowledge, experience and areas of expertise. We believe that it is important for our Board to be diverse, and within the scope of diversity, we include gender, age, race, sexual orientation and culture, as well as diversity of abilities, expertise and perspectives. We're proud to have above-average gender parity on our Board, with 50%+ women Directors."4
- "As our company evolves, we see opportunity to further **diversify** representation at all levels of leadership. In identifying the most qualified individuals as candidates for Board membership, the Nominations, Corporate Governance and Social Responsibility Committee will seek to attain diversity in the composition of the Board in a way that reflects our associates and communities." 5
- In 2020, the Company created an Equity Action Committee and launched an Equity Action Plan "outlining a set of actions we've committed to in the fight for racial justice and equality," which includes "[i]ncreasing Black representation across our company, and among our vendors, partners and collaborators" and "[r]einforcing an internal culture of inclusion and belonging."

³ Williams-Sonoma, Inc., Annual Report (Form 10-K) (Mar. 20, 2024) (available at https://perma.cc/UDT6-FP6E) [hereinafter Form 10-K].

⁴ Diversity, Equity & Inclusion — Corporate Responsibility, WILLIAMS-SONOMA, INC. https://perma.cc/A39L-6REY (emphasis added).

⁵ *Id.* (emphasis added).

⁶ *Id*. (emphasis added).

Williams-Sonoma's 2024 Annual Report, Form 10-K, filed with the Securities and Exchange Commission on March 20, 2024, likewise reports:

- "We are focused on **increasing under-represented talent** at the Company through expanding our candidate pool and career development. We maintain an Equity Action Plan and an Equity Action Committee, including a diverse group of executives and associates, and in 2023 **we continued our commitment to equity** through our partnership and donation support with our non-profit partners such as the NAACP, the Jackie Robinson Foundation, the National Urban League and Asian Americans Advancing Justice—Asian Law Caucus."
- "We continue to foster relationships with over 180 organizations, universities, colleges and networks to expand our reach to potential candidates. We continue to strive to bring forward a diverse slate of candidates for our corporate roles posted externally, which has resulted in improvement in both overall representation and hire rate since the inception of our Equity Action Plan. We are also a member of CEO Action for Diversity & Inclusion, in which we pledged a goal to 'identify and establish associate networks for underrepresented communities to promote diversity and inclusion throughout the Company.' In furtherance of our stated goal, we have developed affinity group networks including an LGBTQIA+ Network, Black Associate Network, Veterans Appreciation Network, Hispanic/LatinX Associate Network, Asian WSI Network and a Disability, Education & Advocacy Network."8

These commitments to "diversity," which date back to at least 2021, 9 appear to have achieved their intended effect:

- "As of the end of fiscal 2023, approximately 68.1% of our total workforce identified as female and approximately 41.1% identified as an ethnic minority group." 10
- "Additionally, approximately 56.6% of our Vice Presidents and above identified as female." ¹¹

⁷ Form 10-K at 6 (emphasis added).

⁸ *Id.* (emphasis added).

⁹ Williams-Sonoma, Inc., Annual Report (Form 10-K) (Mar. 30, 2021) (available at https://perma.cc/XE2A-F5CQ).

¹⁰ Form 10-K at 6.

 $^{^{11}}$ *Id*.

- "Representation of Black talent has increased, diversifying our workforce, partners and product offerings, with clear goals established to grow representation at all levels of leadership."
- "We are proud of our progress in increasing our representation of Black talent across levels and workforces. We broadened our talent pipeline for both full-time and intern positions by partnering with over 150 organizations, including Historically Black Colleges and Universities, BRAG and blackjobs.com. All open jobs since launching our Equity Action Plan have a diverse slate of candidates, and we incorporated unconscious bias training into the hiring processes." 13
- "Associates are expected to treat everyone with respect while learning about other cultures and traditions. We established Associate Equity Network Groups to create safe spaces for associates to share experiences, seek support and learn from each other." Some of these groups appear to discriminate based on race and sex. The groups include:
 - o Black Associate Network
 - Veterans Appreciation Group
 - o An LGBTQ+ Group Affiliation called "VOICES"
 - o Hispanic Heritage Group
 - o Asian American Pacific Islander Network
 - Disability, Education & Advocacy Network

There are no associate equity networks for White, European ancestry, or heterosexual employees. 15

III. The Company's employment practices are unlawful

The Company's employment practices favor some individuals over others because of their skin color and/or sex. This is patently unlawful. ¹⁶ See 42 U.S.C. § 2000e-2(a), (d). Alternatively, if the Company is not favoring non-whites and women, but merely

 $^{^{12}\,}At$ Williams-Sonoma, Inc., Diversity, Equity and Inclusion is an Ongoing Commitment, WILLIAMS-SONOMA, Inc. Bus. Wire (Feb. 5, 2021), https://perma.cc/PBA3-A6FZ.

¹³ *Id.* (emphasis added).

 $^{^{14}}$ Investing in Associates — Corporate Responsibility, WILLIAMS-SONOMA, INC., https://perma.cc/S765-7LSQ.

 $^{^{15}}$ *Id*.

Muldrow v. City of St. Louis, Missouri, 144 S. Ct. 967, 974 (2024) (internal citations omitted); United Steelworkers of Am. v. Weber, 443 U.S. 193, 208 (1979); Johnson v. Transp. Agency, 480 U.S. 616, 621–41 (1987); see also Bostock v. Clayton Cnty., Georgia, 590 U.S. 644 (2020).

pretending to do so, then it is cynically and deliberately misleading customers, employees, applicants, and investors. There is no third alternative.

Discrimination based on immutable characteristics such as race, color, national origin, or sex "generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely to ever be undone." More broadly, the discrimination highlighted in this case necessarily foments contention and resentment; it is "odious and destructive." Distinctions between citizens solely because of their ancestry are by their very nature odious to a free people whose institutions are founded upon the doctrine of equality." It truly "is a sordid business, this divvying us up" by race or sex. ²⁰

Williams-Sonoma's employment practices are illegal, profoundly harmful, and immoral. Based on the Company's admissions and representations, as described herein, there is substantial reason to believe that it knowingly and intentionally violates Title VII and intends to continue doing so. Therefore, a Commissioner's charge is particularly appropriate in this case.

Thank you in advance for your consideration.

Sincerely,

<u>/s/ Julia Z. Haller</u> Julia Z. Haller America First Legal Foundation

cc: Charlotte A. Burrows, Chair,
Jocelyn Samuels, Vice Chair,
Keith E. Sonderling, Commissioner,
Andrea R. Lucas, Commissioner,
Kalpana Kotagal, Commissioner

 19 Students for Fair Admissions, Inc. v. President & Fellows of Harvard Coll., 600 U.S. 181, 208 (2023) (further citations omitted).

¹⁷ Brown v. Bd. of Education, 347 U.S. 484, 494 (1954).

¹⁸ Texas v. Johnson, 491 U.S. 397, 418 (1989).

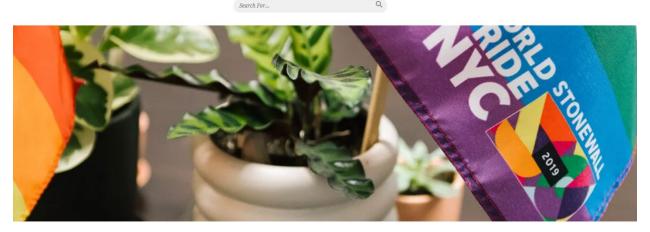
²⁰ League of United Latin Am. Citizens v. Perry, 548 U.S. 399, 511 (2006) (Roberts, C.J., concurring in part).

Appendix

WILLIAMS-SONOMA, INC. COMPANY OVERVIEW INVESTOR INFORMATION OUR STORIES

Corporate Responsibility

POTTERY BARN POTTERY BARN KIDS POTTERY BARN TEEN WILLIAMS SONOMA WILLIAMS SONOMA HOME WEST ELM MARK AND GRAHAM REJUVENATION GREENROW



PEOPLE

Diversity, Equity & Inclusion

We firmly believe that working in a culture focused on diversity, equity and inclusion spurs innovation, creates healthy and high-performing teams, and delivers superior customer experiences. Our diversity, equity and inclusion initiatives prompt associate participation and engagement, aligning with our core vision to reflect the

Representation of Black talent has increased, diversifying our workforce, partners and product offerings, with clear goals established to grow representation at all levels of leadership

We are proud of our progress in increasing our representation of Black talent across levels and workforces. We broadened our talent pipeline for both full-time and intern positions by partnering with over 150 organizations, including Historically Black Colleges and Universities, BRAG and blackjobs.com. All open jobs since launching our Equity Action Plan have a diverse slate of candidates, and we incorporated unconscious bias training into the hiring processes.

In addition to these talent initiatives, our brands are consciously increasing Black representation among our vendors, partners and collaborators. We are excited to share our new initiatives and continue to forge new partnerships to increase the diversity of our offerings:

- West Elm has taken the 15% Pledge to increase its representation of Black-owned businesses and is featuring Black artists, designers and makers in its assortment, found in stores and online. You can meet these innovative makers in the weekly Instagram "Meet the Maker" series.
- Pottery Barn has launched its partnership with the Black Artists + Designers Guild (BADG) to work
 with its community of creators, artists, and design professionals to bring Black Excellence in design
 and artistry to our customers.
- Pottery Barn Kids has launched a partnership with Conscious Kid to offer curated book bundles that celebrate diversity and help promote healthy racial identity development in youth.
- Williams Sonoma is highlighting the important work Black chefs are doing by featuring an online collection of cookbooks written by Black authors filled with recipes, stories and the diversity of the Black experience in the food industry and Black culture in America.

Board Gender & Diversity

<u>Our Board</u> is comprised of individuals qualified to advise our executive team based on their skills, knowledge, experience and areas of expertise. We believe that it is important for our Board to be diverse, and within the scope of diversity, we include gender, age, race, sexual orientation and culture, as well as diversity of abilities, expertise and perspectives. We're proud to have above-average gender parity on our Board, with 50%+ women Directors.

As our company evolves, we see opportunity to further diversify representation at all levels of leadership. In identifying the most qualified individuals as candidates for Board membership, the Nominations, Corporate Governance and Social Responsibility Committee will seek to attain diversity in the composition of the Board in a way that reflects our associates and communities.

Diversity, Equity & Inclusion

In June 2020, we formed an Equity Action Committee and launched an <u>Equity Action Plan</u> outlining a set of actions we've committed to in the fight for racial justice and equality:

- Philanthropic support and long-term partnerships with non-profit organizations that advocate for racial justice and equity.
- Increasing Black representation across our company, and among our vendors, partners and collaborators.
- Reinforcing an internal culture of inclusion and belonging.

We're continually tracking and publishing our progress in our annual impact reports.

Executive Leadership

A UC Davis Study of California Women Business Leaders named Williams-Sonoma, Inc. California's #1 company for female leadership in their most recent study (2015), with the highest percentage reported by any company in the 11 years they have been researching women in business. Since then, we've continued to be a beacon for women leaders. More than 50% of our executive positions at the VP level and above are occupied by women and over 50% of our board members are women.

GOVERNANCE

We review sustainability programs with our Board regularly and publish updates in our annual Proxy Statement and Impact Report. We strive for our Board of Directors to reflect the racial, ethnic, and gender diversity of our workforce and surrounding communities.

In FY23, 57% of our Board members identified as women and 29% identified as diverse.

Diversity, Equity and Inclusion

Associate engagement and retention require an understanding of the needs of a diverse, creative and purpose-driven workforce. We firmly believe that working in a culture focused on diversity, equity and inclusion spurs innovation, creates healthy and high-performing teams, and delivers superior customer experiences. We aim to provide equal opportunity for all associates. We have several systems under which associates can report incidents or discrimination confidentially or anonymously and without fear of reprisal. As of the end of fiscal 2023, approximately 68.1% of our total workforce identified as female and approximately 41.1% identified as an ethnic minority group. Additionally, approximately 56.6% of our Vice Presidents and above identified as female. We were also ranked on Forbes' List of Best Employers for Diversity in 2023 and were included in the 2023 Bloomberg Gender-Equality Index, which tracks public companies' commitment to gender equality.

We are focused on increasing under-represented talent at the Company through expanding our candidate pool and career development. We maintain an Equity Action Plan and an Equity Action Committee, including a diverse group of executives and associates, and in 2023 we continued our commitment to equity through our partnership and donation support with our non-profit partners such as the NAACP, the Jackie Robinson Foundation, the National Urban League and Asian Americans Advancing Justice—Asian Law Caucus.

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As signatories of CEO Action for Diversity & Inclusion, we also continually:

- Make our workplaces trusting places to have complex, and sometimes difficult, conversations about diversity & inclusion.
- · Implement and expand unconscious bias education and training.
- Share best, and unsuccessful, practices by reporting on our successes and challenges.



Pottery Barn partners with the Trevor Project to raise donations and awareness of LGBTQ+ issues. Image: <u>Pottery Barn</u>.

