ESG Download

Avery Dennison 2023 ESG Reporting

August 2024

AVERY DENNISON

Contents

From Our Leadership

As our world progresses toward a more sustainable future, Avery Dennison is helping businesses solve complex industry challenges ranging from reducing waste to advancing circularity and transparency. We are making strong progress toward our environmental, social and governance (ESG) goals, and our global team delivered solid results in 2023 despite a challenging business climate. I am pleased to say we are on track to achieving our 2025 sustainability goals and have accelerated our plans to deliver our 2030 goals.

Delivering innovations that advance the circular economy
We recognize the essential role that our products, solutions and services play in advancing a more sustainable and circular economy. Through our robust research and development efforts, we design innovative products and solutions that reduce waste, enable product recycling, extend product end-of-life and enable greater supply chain transparency, ultimately delivering greater value for our customers and end-users. In 2023, we expanded our portfolio of sustainability-oriented products and invested in technologies and partnerships that will further enable a circular economy across the industries we serve.

Reducing our environmental impact
Serving as a force for good means using our resources, operational experience and creativity to drive better, more sustainable outcomes across our supply chain. Last year, we made further progress by reducing our environmental impact, including our scope 1 and 2 carbon emissions, lowering energy consumption, reducing waste across our operations and investing in renewable energy across our enterprise. We also engaged with key suppliers who play an essential role in reducing our scope 3 carbon emissions.

Making a positive social impact by enhancing the livelihood of our people and our communities
Supporting our team members as well as the communities in which we operate is at the core of who we are as a company. Our corporate social responsibility (CSR) initiatives are broad, deep and encompassing, with a clear focus on increasing education access, advancing environmental sustainability and supporting secure livelihoods. Our employees partner with local community organizations to address pressing community needs, including disaster response and diversity, equity and inclusion. Our CSR investments are primarily made through the Avery Dennison Foundation (ADF), which, together with our company, made $5.5 million in CSR-related financial contributions in 2023.

Driving continued accountability through transparent reporting
Our ESG download remains the primary source of data reporting on our ESG progress. We continue to invest in systems and processes to enhance our disclosures. We remain committed to aligning these disclosures and our goals to rigorous external standards, including the Science Based Targets Initiative and the United Nations Sustainable Development Goals.

Advancing sustainability is crucial to the long-term health of our business. Moreover, it drives our greater purpose of unlocking new value for our customers while addressing some of their most complex challenges. Backed by our longstanding spirit of innovation and passion for problem solving, our sights are set on achieving our sustainability goals as we create a broader world of possibility for our stakeholders.

Thank you for your interest in Avery Dennison and our ESG efforts.

Deon Stander
President & CEO

Materials Group

Our Materials Group is an industry-leading provider to the pressure-sensitive label and graphics industries worldwide. Our innovative products include label materials, graphics and reflective materials, and functional bonding materials, such as tapes. Our label materials enhance shelf appeal for brands, inform shoppers, advance circularity, increase transparency, help reduce waste and improve operational supply chain efficiency. Our graphics portfolio offers highly engineered products that range from vehicle wraps to architectural films.

Materials Group plays a key role in advancing our fast-growing Intelligent Labels platform, providing the materials science capabilities and process engineering expertise that are essential to developing and manufacturing Intelligent Labels at scale.

In 2023, Materials Group represented 69% of total sales.

Solutions Group

Our Solutions Group is an industry-leading global provider of information and branding solutions. Our solutions cover a breadth of customer needs from digital identification and data management, branding and embellishment, as well as productivity, pricing and retail media. We empower customers across multiple retail and industry segments to connect the physical and digital, leveraging our market-leading radio frequency identification (RFID) solutions. Our technology addresses complex industry challenges, provides transparency and visibility across supply chains, improves labor and waste efficiency, and enables better consumer experiences at the point of purchase and beyond. Market segments served include the global apparel, logistics, food and grocery, and general retail industries.

As the world's largest ultra-high frequency RFID solutions provider, we leverage our innovation and data management capabilities, global footprint and market access in the ongoing advancement of our Intelligent Labels platform.

In 2023, Solutions Group represented 31% of total sales.

Standards

The Sustainability Accounting Standards Board (SASB) categorizes Avery Dennison within the primary industry of Containers & Packaging under its Sustainable Industry Classification System (SICS). SASB also categorizes Avery Dennison within secondary industries of Apparel, Accessories & Footwear and Chemicals. Avery Dennison reports relevant indicators across all three of these sector standards, with some responses limited in scope to specific, relevant business units. Additional standards reporting is described in the Disclosures section.

Definitions

Facility: We use the term "facility" to describe any location that we own or lease. This designation includes all locations, including manufacturing, converting/distribution centers, research and development, warehouses, fast response units and office locations.

Manufacturing facility: We use the term "manufacturing facility" to describe any location in which we manufacture products. This designation excludes converting/distribution centers, research and development, warehouses, fast response units and office locations.

Scope

Unless specifically stated, all 2023 data reported in this download covers acquired businesses owned for a full calendar year. Acquisitions made during the reporting year are excluded unless otherwise noted. In some cases, historic metrics may be recalculated to include acquisitions as necessary for our goals, and those instances are specifically noted.

Select metrics represent partial year data due to limited data availability. In these cases, the time period will be clearly indicated, and full-year data will be reported after it becomes available.

Further discussion of our sustainability initiatives and progress against our sustainability goals can be found in our **2023 Integrated Report**.

Certain prior-year (2021-2022) energy, emissions and paper data has been third-party verified. Verification information is available in our **CDP disclosures**, and 2023 energy, emissions and paper data verification will be pursued as part of our CDP response. All other data is unaudited.

Materiality

Avery Dennison completed an enhanced materiality assessment in 2022, which included an updated mapping of our environmental, sustainability and governance (ESG) priorities throughout our value chain. Our comprehensive process included interviews to collect feedback from internal and external stakeholders including non-governmental organizations (NGOs) and customers, as well as industry analysis. There are many topics that are material to our businesses when looking at importance to external stakeholders and impact on our business success, including core, table stakes topics, and key business and partner differentiators. However, the topics that had the highest ranking in our updated assessment represent those that offer the most strategic, value-creation opportunities for our company and customers.

Most Material Topics

1
Transition
to a Circular
Economy

2
Advanced
Technologies
& Innovation

3
Climate
Change

4
GHG Emissions
& Reduction

5
Supply Chain

6
Fair &
Inclusive
Workplace

7
Materials
Management

8
Operational
Waste

MATERIAL TOPIC DEFINITIONS

Transition to a Circular Economy Refers to principles, practices and processes that minimize or eliminate the negative environmental impacts of a product across its lifecycle in an effort to eliminate waste and reduce virgin input materials. Aspects of producer responsibility for their products are included in this topic, as are industry-specific models to reduce the environmental footprint of products and services.

Advanced Technologies & Innovation Refers to the development and use of emerging technologies, digital innovations that transform business operations and the way people live, and the opportunities and risks presented by these technologies and innovations. This topic also refers to processes, initiatives and activities aimed at advancing products and services through various approaches, including open innovation, crowdsourcing and the use of new technologies. Previously assessed as "Innovation."

Climate Change Refers to the physical and transition impacts, risks and opportunities presented by climate change and the transition to a low-carbon economy, as well as adaptation and resilience measures.

GHG Emissions & Reduction Refers to the direct and indirect emissions of greenhouse gases (GHGs) and emissions reduction targets aimed at limiting company contributions to global warming.

Supply Chain Refers to the policies, practices and goals that guide how a company chooses suppliers, measures supplier performance and alignment with core and strategic values, audits suppliers, engages with and supports suppliers in improving ESG performance, and maintains transparency to ensure sourcing commitments are met.

Fair & Inclusive Workplace Refers to the processes, practices and mechanisms that support the active integration and fair treatment of all employees, with a focus on gender, age, cultural background, skills, race/ethnicity, religion and sexual orientation. This topic considers equal opportunity provisions aimed at promoting the professional development of all employees and supporting a culture of inclusion.

Materials Management Refers to the management of materials, recognizing the reality of resource scarcity where measured usage, increased recycled inputs and reduced virgin resources can contribute to improved environmental conditions. This topic includes a specific focus on forest products, metals/minerals and plastics, which have wide-reaching value chain impacts as source materials.

Operational Waste Refers to measures to reduce the amount of waste produced and sent for final disposal, efforts to recover waste for useful material harvesting and reuse, and recycling. This topic also includes the management, disposal and volume of operational waste that has not been recovered for recycling or reuse.

Avery Dennison Sustainability Goals

Our 2025 goals represented our first comprehensive sustainability goal set, and we've made great progress toward achieving them. In 2021, we announced our 2030 sustainability goals, which reflect our business today and in the future. In our 2030 goals, we improved our alignment with external principles and took the next steps in our ambitious sustainability journey.

Differences between our 2025 and 2030 sustainability goals are outlined in the appendix.
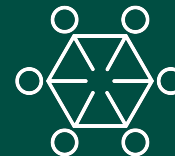
Our 2030 Sustainability Goals
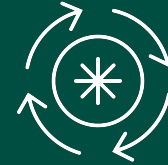
Deliver innovations that advance the circular economy

Reduce the environmental impact in our operations and supply chain

Make a positive social impact by enhancing the livelihood of our people and communities

Progress Toward 2025 Goals

2025 Goals	Baseline (2015)	2023 Results
70% of revenues from sustainability-driven products		67% Materials Group (Label and Graphic Materials only) 64% Solutions Group (Apparel Solutions only)
3% absolute GHG reduction every year (26% cumulative by 2025)		63% cumulative GHG emissions reduction
100% certified paper 70% Forest Stewardship Council (FSC)-certified face paper	45% FSC-certified	96% certified 79% FSC-certified face paper
95% landfill-free 75% waste recycled	90% landfill-free 55% recycled	93% landfill-free 65% recycled
70% of films we buy conform to, or enable end products to conform to, our environmental and social guiding principles 70% of chemicals we buy conform to, or enable end products to conform to, our environmental and social guiding principles		97% of films 96% of chemicals
40% women in manager level and above	32%	36%
Maintain world-class safety and employee engagement scores	0.31 Recordable Incident Rate (RIR) 80% engagement	0.22 RIR 80% engagement*
Publicly commit to goals/report progress		Continued enhancing sustainability transparency with more comprehensive reporting

*In 2023, we utilized a new partner, process and platform, and more than doubled the questions asked. As such, 2023 reflects a new baseline from which we will measure progress ongoing.

Progress Toward 2030 Goals

Deliver innovations that advance the circular economy

2030 Goals	Baseline (2015)	2023 Results
Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions.		
Solutions Group: 100% of our core product categories (printed fabric labels, woven labels, paper, interior heat-transfer labels, packaging and RFID) will meet our Sustainable ADvantageTM standard.	--	75% (Apparel Solutions only)
Materials Group: 100% of our standard label products will contain recycled or renewable content. All of our regions will have labels that enable circularity of plastics.	--	61% (Label and Graphic Materials only)

Progress Toward 2030 Goals

Reduce the environmental impact in our operations and supply chain

2030 Goals	Baseline (2015)	2023 Results
Reduce our scope 1 and 2 GHG emissions by 70% from our 2015 baseline. Work with our supply chain to reduce our 2018 baseline scope 3 GHG emissions by 30%,* with an ambition of net zero by 2050.	--	63% scope 1 and 2 Prior year scope 3 calculations are available in our most recent CDP Climate response
Source 100% of paper fiber from certified sources focused on a deforestation-free future.	45% FSC-certified	96% certified
Divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled and the remainder either reused, composted or sent to energy recovery.	84% landfill-free 55% recycled	89% landfill-free 65% recycled
Deliver a 15% increase in water efficiency at our sites that are located in high or extremely high risk countries as identified in the World Resources Institute Aqueduct Tool.	--	2%

*Our 30% reduction by 2030 goal covers our purchased goods and services (GHGP category 1) and end-of-life treatment of sold products (GHGP category 12), as aligned with our SBTi target.

Progress Toward 2030 Goals

Make a positive social impact by enhancing the livelihood of our people and communities

2030 Goals	Baseline (2015)	2023 Results
Foster an engaged team and an inclusive workplace. • Inclusion index: 85% • Employee engagement: 82% • Females in manager level or above positions: 40% • Safety: 0.2 Recordable Incident Rate (RIR)	-- 80% 32% 0.31 RIR	• 76% * • 80% * • 36% • 0.22 RIR
Support the participation of our employees in Avery Dennison Foundation (ADF) grants and foster the well-being of the communities in which we and our supply chain operate. • 85% of countries in which we operate receive ADF grants • 50% of all ADF grants incorporate volunteerism	--	Made ADF grants in 72% of countries in which we operate 95% of grants incorporated employee volunteerism

*In 2023, we utilized a new partner, process and platform, and more than doubled the questions asked. As such, 2023 reflects a new baseline from which we will measure our progress going forward.

Circularity & Sustainable Products

In our industry and across those we serve, we're helping to lead the development of a more sustainable economy—one that is circular, regenerative and lower carbon. We recognize, and our materiality assessment confirms, that our customers see their business partners and suppliers as critical to their own climate and sustainability goals.

In addition to innovating to deliver products in a more sustainable way, we're expanding our offerings that can help drive sustainability and create sustainable value for our customers. Whether it's a digitally enabled label, a lower-carbon material option or a product with a significantly improved lifecycle impact, we are looking to meet the needs of our customer base and be part of their sustainable solutions moving forward.

2030 Goal Alignment

Goal 1 is to deliver innovations that advance the circular economy; Goal 2 is to reduce the environmental impact in our operations and supply chain, including a target to source 100% of paper fiber from certified sources focused on a deforestation-free future.

2022 Material Topic Alignment

Transition to circular economy, advanced technologies & innovation, climate change, GHG emissions & reduction, materials management, supply chain

United Nations Sustainable Development Goals (SDG) Alignment

8 DECENT WORK AND ECONOMIC GROWTH **12** RESPONSIBLE CONSUMPTION AND PRODUCTION **13** CLIMATE ACTION **15** LIFE ON LAND

Material Sourcing and Production

	2021	2022	2023	Discussion	Source
FSC-certified paper percentage (1) Face only (2) All paper	1) 81% 2) 55%	1) 81% 2) 56%	1) 79% 2) 61%	Our 2025 paper goal is to procure 100% of the paper we purchase from certified sources, with 70% of that FSC-certified.	
Percentage of total volume paper from certified sources	91%	94%	96%	Our 2030 paper goal is to procure 100% paper fiber from certified sources focused on a deforestation-free future. We disclose the percentage of purchased paper that is certified and the total volume of paper purchased in metric tons in our annual CDP reporting. Our historical data to date has been audited by Rainforest Alliance. Third-party auditing of our 2023 data will be completed in Q2 2024.	CDP Forests Response
Policy regarding the purchase of wood and/or wood-based products from sustainable sources				As a significant stakeholder in the supply chain of pulp and paper products, we work to promote and provide sustainable and socially responsible paper products. This effort includes influencing our business partners to move toward deforestation-free products and making sourcing decisions that promote and support biodiversity. Our responsible paper procurement policy reflects our values and commitment to the sustainability and societal aspects of the paper products we source, manufacture and use. Per the Avery Dennison Responsible Paper Procurement Policy: • Evaluate and reward good environmental performance of our supply-chain partners • Avoid controversial fiber sources and increase certified/recycled sources • Act in a manner that helps to be socially responsible	Responsible Paper Procurement Policy

Material Sourcing and Production

	2021	2022	2023	Discussion	Source
Obtained any of the following chain of custody certifications for wood or wood-based products/ materials: FSC, PEFC, SFI				We aim to increase the use of wood fiber that has been certified by a credible third-party certification scheme (for virgin and recycled) with preference for FSC-certified material where market conditions and good business practices allow. Acceptable certifications include: • Forest Stewardship Council - Mixed Credit (FSC-MC certified) • Forest Stewardship Council - Controlled Wood (FSC-CW) • Programme for the Endorsement of Forest Certification (PEFC) • Sustainable Forestry Initiative (SFI - from North America only)	
Total wood fiber procured, percentage from certified sources				We do not procure wood fibers directly; rather, we source paper products for use in our own products. In 2023, we procured 865,393 metric tons of paper products enterprise-wide. More information on our paper procurement can be found in our CDP Forests response.	CDP Forests Response
Percentage of raw materials from (1) recycled content, (2) renewable resources and (3) renewable and recycled content*				We are working to expand our purchase of renewable, recycled and bio-based source material. Currently, these recycled and/or renewable materials comprise 64% of Materials Group purchases.	

*This metric is requested by the SASB Containers & Packaging Sustainability Accounting Standard (RT-CP), which is specific to our Materials Group.

Material Sourcing and Production

	2021	2022	2023	Discussion	Source
Raw material sourcing - (1) list of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities*				Apparel Solutions' priority raw materials include polyester and recycled polyester yarns. Environmental regulations and supply chain availability of recycled yarns are the largest challenges to sourcing these materials, with availability further limited by increasing customer demands for certified and traceable recycled yarns. Apparel Solutions is partnering with industry groups addressing environmental/GHG risks, requiring supplier audits, completing site certifications and researching materials with less environmental impact. As of year-end 2023. 84% of Apparel Solutions' manufacturing, distribution or fast response units are FSC-certified. For yarn-based materials, Apparel Solutions prefers Global Recycle Standard (GRS) yarn. As of year-end 2023, 42% of our manufacturing, distribution and fast response units hold GRS certification. We have strong raw material sourcing guidelines, which include publicly posted supplier standards, including our Responsible Paper Procurement Policy.	Supplier Standards Solutions Group Responsible Sourcing Policy Responsible Paper Procurement Policy
Amount of raw material purchased and certified*				Apparel Solutions is committed to making more sustainable products. Within our most regularly used raw materials, certifications such as FSC, GRS and Oeko-tex are commonplace. For Apparel Solutions, 84% of our manufacturing, distribution and fast response units hold FSC certification, 42% hold GRS certification and 53% hold Oeko-tex certification.	

*These metrics are requested by the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA), which is specific to our Apparel Solution's business.

Material Sourcing and Production

	2021	2022	2023	Discussion	Source
Total aluminum purchased, percentage of aluminum purchased from certified sources	1,169 44%	1,575 68%	1,356 76%	We procure a small amount of aluminum directly. In 2023, 76% (1,032 tons) of the aluminum we procured was from sources certified by the Aluminum Stewardship Initiative, or an equivalent standard. Unit of measure is tons.	
Amount of production, by substrate*	1) 246 2) 333 3) 147,378	1) 240 2) 280 3) 146,358	1) 187 2) 222 3) 119,818	Production of (1) film and (2) vinyl materials in million square meters. Production of (3) adhesives in metric tons.	
Percentage of production as: paper/wood and plastic*				47% of our Materials Group spend was tied to specialty paper-based materials and 27% was tied to plastic films and resins for films that we manufacture ourselves. The majority of the balance was tied to adhesives and other chemicals. 100% of the film and vinyl materials we produce are considered plastics.	
Percentage of products by revenue that contain GMOs		<1%	<1%	Based on information provided by our suppliers, less than 1% of our products contain genetically modified organisms (GMOs).	

*These metrics are requested by the SASB Containers & Packaging Sustainability Accounting Standard (RT-CP), which is specific to our Materials Group.

Product Lifecycle Management					
	2021	2022	2023	Discussion	Source
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle				Launched in 2021, Sustainable ADvantage enables our customers to reduce their environmental footprint, satisfy consumer demand, increase recyclability and respond to government regulations for more sustainable products. As a showcase of our mission to build toward regeneration, Sustainable ADvantage enables circularity, improves environmental performance and facilitates transparency across our entire value chain.	Sustainable ADvantage
Reductions in energy requirements of products and services				We develop products with sustainability in mind, from the materials we use, to how they're constructed or recycled at end-of-life. For example, increasing the recycled content of a product or reengineering its composition to require less material could decrease energy use in its production. Additionally, we factor in energy use and sustainability when designing our Avery Dennison hardware.	
Revenue from products that are reusable, recyclable and/or compostable; or products designed for use-phase resource efficiency	$3.7B	$4.7B	$5.5B*	In 2021, we launched our Sustainable ADvantage portfolio of sustainability-oriented products, which replaced our previously named ClearIntent products.	Sustainable ADvantage

*2023 values represent all business units. Prior year represent only Materials Group Label and Graphics and Solutions Group Apparel.

Product Safety

	2021	2022	2023	Discussion	Source
Strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact				We maintain restricted substance list (RSL) programs both company-wide and tailored to our businesses. These programs list chemicals of concern identified by governments, NGOs and customers that are banned or restricted depending on risk. In addition, we maintain a watch list of chemicals that must undergo an alternatives assessment and be approved by a committee of technical leaders prior to their use in new products. We have developed and launched a new Green Chemistry program for product development that provides improved tools and processes for identifying risks from chemicals in our products and assessing alternatives. Our Materials Group uses our company-wide RSL, which identifies banned, restricted and watch-list substances. Our banned substances are those that are banned by law or regulation somewhere in the world, while our restricted list allows use in some instances while not in others. We are on track to eliminate our use of banned substances on our company-wide RSL by 2025, even in jurisdictions where they may be allowed. Our Solutions Group maintains its own RSL programs for both existing and new products. Our Solutions Group Apparel RSL program encompasses legal requirements from regulations (REACH, CPSIA, RoHS, Cal Prop 65), apparel industry standards (Oeko-Tex, ZDHC MRSL, AAFA RSL) and customer standards in the apparel and footwear industry. Our Avery Dennison Smartrac (AD Smartrac) business maintains an RSL program relevant to RFID-enabled products.	

Product Safety

	2021	2022	2023	Discussion	Source
Discussion of processes to maintain compliance with restricted substance regulations				Our product compliance teams monitor regulations and other developments applicable to our products through subscriptions to different government agencies such as EUROPA/CPSC, industry groups, and third-party regulatory and chemical tracking and management service providers. Relevant stakeholders in our company are notified as developments occur so that appropriate actions can be taken.	
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products				We maintain RSL programs company-wide and within our businesses that identify and restrict chemicals of concern. To assess and manage risks from these chemicals, we work with our suppliers and product development teams to identify and reduce chemicals of concern wherever feasible in our products. We operate an assessment and approval process to minimize or avoid chemicals of concern in new products. Our Solutions Group maintains an RSL encompassing additional legal requirements from regulations (REACH, CPSIA, RoHS, Cal Prop 65), industry standards (Oeko-tex, ZDHC MRSL, AAFA RSL, AFIRM RSL) and customer standards in the apparel and footwear industry. Our Solutions Group requires all suppliers to certify that the materials they supply us meet its RSL requirements. Our Solutions Group conducts over 2,000 tests of raw materials and products to confirm compliance with its RSL. AD Smartrac also maintains an RSL relevant to RFID-enabled products to identify and restrict chemicals of concern. Our Materials Group uses our company-wide RSL.	Avery Dennison RSL Solutions Group RSL

CIRCULARITY AND SUSTAINABLE PRODUCTS

Product Safety

	2021	2022	2023	Discussion	Source
Number of recalls issued Totals units recalled	0 0	0 0	0 0	We issued no product recalls in 2023. Recalls are defined as products placed on the market in an end-user or consumer application that were recalled because of product or environmental regulatory compliance or product safety issues.	
Discussion of process to identify and manage emerging materials and chemicals of concern				We maintain a regulatory early warning system that uses a comprehensive approach to identify and track developments globally in product and chemical regulations, safety and environmental impacts. This system tracks developments in emerging and ongoing chemicals of concern and their use in products and manufacturing, as well as notification to relevant internal stakeholders to allow early and effective response and management of issues.	

Biodiversity

	2021	2022	2023	Discussion	Source
Approach to evaluating and managing biodiversity concerns				Our Responsible Paper Procurement Policy addresses the measures we take to minimize wood fiber sourced from potentially controversial locations, including those with significant ecological value. We are committed to increasing our use of wood/fiber that has been certified by a credible third-party forest certification scheme (for virgin and recycled) with preference for FSC-certified material where market conditions and good business practices allow. In our CDP Forests response, we provide further information on our approach to biodiversity.	CDP Forests Response Responsible Paper Procurement Policy

Supply Chain

Regardless of their industry or market, today's businesses face a constant challenge: efficiently managing inventory and logistics while minimizing associated costs. Avery Dennison's supply chain is a vast network of organizations, people, activities, resources and technology that manages the flow of raw materials, products and services. Considering the pace of today's global markets, the need to protect brand integrity and guide goods through the global supply chain efficiently is more pressing than ever. We work to ensure our supply chain is secure, compliant with global regulations and consistent with minimum standards in environmental and social sustainability.

2030 Goal Alignment

Goal 2 is to reduce the environmental impact in our operations and supply chain. To accomplish this goal for energy and emissions, we aim to reduce our scope 1 and 2 GHG emissions by 70% and work with our supply chain to reduce scope 3 emissions by 30%. We have an ambition of net zero by 2050.

2022 Material Topic Alignment

Supply Chain

SDG Alignment

Supply Chain Management

	2021	2022	2023	Discussion	Source
Number of (1) Tier 1 suppliers Number of (2) suppliers beyond Tier 1*				Our Solutions Group joined the Sustainable Apparel Coalition (SAC) in 2012 as the first solutions provider in the network. Based on SAC criteria, we consider our own manufacturing facilities to be tier 1 facilities. For 2023, Apparel Solutions operated in 48 manufacturing, distribution or fast response unit locations (including 2023 acquired business locations). For 2023, Apparel Solutions used 211 outsource suppliers across its global manufacturing base, excluding raw materials suppliers.	
Percentage of (1) Tier 1 supplier facilities, and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's HIGG FEM assessment or an equivalent environmental data assessment*	1) 64%	1) 70%	1) 63%	In 2023, Solutions Group's Apparel Solutions business conducted 24 HIGG Facility Environmental Module (FEM) audits, which verified 2022 data, covering 63% of our Apparel Solutions manufacturing facilities. We are piloting the use of HIGG FEM audits with key outsource suppliers. There were 22 outsource suppliers that completed HIGG FEM verification in 2023.	Higg Responses
Percentage of (1) Tier 1 supplier facilities that have been audited to a labor code of conduct (2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct (3) Percentage of total audits conducted by a third-party auditor*	1) 79% 2) 56% 3) 100%	1) 100% 2) 100% 3) 98%	1) 100% 2) 98% 3) 100%	In 2023, within Apparel Solutions, a total of 347 social audits were conducted at our locations. 100% of our tier 1 facilities had a valid social audit in place since 2022. In 2023, within Apparel Solutions, a total of 423 social audits were conducted at our outsource suppliers. 98% of our outsource suppliers have completed a valid social audit to a labor code of conduct. Within AD Smartrac, a total of 4 social audits were conducted at our own tier 1 facilities in 2023. 100% of the audits were conducted by external auditors, including independent third-party audit firms or customer-specified auditors.	

*These metrics are requested by the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA), which is specific to our Apparel Solution's business.

Supply Chain Management

	2021	2022	2023	Discussion	Source
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements*	100%	100%	100%	Our Solutions Group joined the SAC in 2012 as the first solutions provider in the network. Based on SAC criteria, we consider our manufacturing facilities to be tier 1 facilities. In 2019, we implemented a full manufacturing restricted substance list (M-RSL) according to the Zero Discharge of Hazardous Chemicals (ZDHC) Program's restricted substance list. We require suppliers to comply with the M-RSL, which restricts the use of harmful substances and chemicals in our manufacturing facilities. All outsource suppliers have been involved in our Integrated Compliance Assurance Program (ICAP) assessments. These assessments verify facility environmental compliance performance, including legally required wastewater discharge permits. Based on our assessments, 100% of wastewater discharge permits of approved outsource suppliers were compliant. We monitor wastewater quality at owned manufacturing facilities. As of December 31, 2023, 100% of our manufacturing facilities complied with wastewater discharge permits and/or contractual agreements. We conduct regular tests according to ZDHC wastewater guidelines. We disclose results from key manufacturing facilities on public platforms including the ZDHC Gateway and the Institute of Public and Environmental Affairs.	Solutions Group RSL

*These metrics are requested by the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA), which is specific to our Apparel Solution's business.

Supply Chain Management

	2021	2022	2023	Discussion	Source
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conducted audits.*				In 2023, Apparel Solutions completed 771 social compliance assessments, including 347 at our tier 1 facilities and 423 at outsourced supplier facilities. An external expert completes each audit, and findings are classified according to their risk and material impact. These classifications range from zero tolerance issues, immediate issues (highly critical) and critical issues, as well as major/minor issues. Each finding generates a corrective action plan. All corrective action plans are time bound with clear owners, which are monitored via our internal social compliance system. We have implemented a governance process to ensure the closure of all actions within the time period required by corrective action plans. Specifically for our labor code of conduct audits, we use ICAP standards both at tier 1 facilities and outsource suppliers. As of year-end 2023, the non-conformance rate with our labor code of conduct for tier 1 facilities was 14% and non-conformance corrective action closure was 87%. The non-conformance rate with our labor code of conduct for outsource suppliers was 1% and non-conformance corrective action closure was 82%. We have higher criteria for our tier 1 facilities, which accounts for the differences in non-conformance and closure rates between tier 1 facilities and outsource suppliers.	

*These metrics are requested by the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA), which is specific to our Apparel Solution's business.

Supply Chain Management

	2021	2022	2023	Discussion	Source
Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain*				As a global manufacturer that serves multiple business segments, the risks we see in the supply chain vary significantly by region and business. Our Apparel Solutions business is most exposed to labor and environmental, health and safety (EHS) risks. We continuously review the human right risks in our operations and supply chain and enhance our processes and practices as needed to account for emerging challenges. Using SAC tools as well as our own risk matrices including country of origin, type of labor and industrial issues, we identified fire safety and working hours as the most significant risks, and we have instituted fire safety plans and social audits as necessary to mitigate those risks.	

*These metrics are requested by the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA), which is specific to our Apparel Solution's business.

Supply Chain Governance

	2021	2022	2023	Discussion	Source
Sustainable Supplier Guidelines				Our Supplier Standards require our materials and service providers to comply with matters such as working conditions, labor standards, anti-corruption, and other legal and ethical requirements. These standards reflect our commitment to integrity in business activities, complying with government laws and regulations, providing workers with a safe and healthy working environment, treating workers with dignity and respect, and promoting sustainable practices to help protect and preserve the environment. Compliance with these standards is an ongoing condition of doing business with our company. Additionally, our Solutions Group provides suppliers with Social Compliance Supplementary Standards. Both documents address key environmental and social issues in our supply chain. Suppliers and subcontractors must comply with applicable environmental laws and ensure that other relevant requirements are achieved. Suppliers, contractors and subcontractors must take proactive measures to protect, and minimize impacts to, the environment. These documents also communicate our expectations regarding compensation, working hours, forced labor, child labor, discrimination and human rights, and freedom of association.	Supplier Standards Social Compliance Supplemental Standards Solutions Group Responsible Sourcing Policy

Supply Chain Governance

	2021	2022	2023	Discussion	Source
Evaluation of suppliers on social and environmental risks and performance				In our Solutions Group, all new outsource suppliers are audited prior to any orders being placed. These audits are conducted by third-party organizations and focus on a number of social, environmental, and health and safety criteria. Each outsource supplier receives an audit score and must develop a corrective action plan for identified areas of improvement. This audit process incorporates the standards and protocols of many external benchmarks, such as the Social and Labor Convergence Program (SLCP) and SEDEX, and covers many areas, including their social and environmental controls and systems. In 2023, we conducted 423 social audits of outsource suppliers, and 26 outsource suppliers are engaged in Higg FEMs. We evaluate suppliers on social and environmental risks with scores based on general performance and ratings based on the severity of risk. Over 95% of outsource suppliers' performance exceeded our minimum requirements and no zero tolerance issue was identified. Through our outsource supplier audits, we've found the greatest risks are related to documentation of building permits and/or certificates in China, working hours in China and Vietnam, and fire safety in China and Turkey. When we find violations, they are addressed through our remediation processes. Within our Materials Group, we use EcoVadis to conduct annual social, environmental and ethical performance assessments of our top-tier suppliers representing 82% of our direct Materials Group spend. The assessment produces an overall rating for each supplier, as well as a performance rating within the categories of Environment, Labor & Human Rights, Ethics and Sustainable Procurement. The report also highlights opportunities for improvement and includes alerts regarding any emerging controversies. We collect our supplier emissions performance data through both the EcoVadis and CDP Supply Chain platforms to work toward our global GHG emissions reduction targets. Of the 199 of our direct spend suppliers on EcoVadis, 149 (75%) had a score of 50+ (bronze rating) as of year-end 2023.	

Energy and Emissions

Natural gas and electricity are the primary energy sources for our operations, representing the majority of our scope 1 and 2 emissions. We implement energy efficiency projects to reduce our electricity and natural gas consumption, particularly where we do not have a viable alternative to natural gas, and we source renewable energy whenever feasible. During 2023, we continued to expand our onsite solar footprint, installing solar panels at key sites. Using market tools such as power purchase agreements (PPAs), virtual PPAs (vPPAs) and renewable energy credits (RECs), we've purchased green energy. Our concentrated solar array in Belgium is an innovative example of how we are reducing our dependence on natural gas.

The result of our long track record of GHG emissions reduction is strong progress toward our 2030 goal. This positions Avery Dennison as a key partner to our customers in their efforts to lower their carbon footprints as well.

2030 Goal Alignment

Goal 2 is to reduce the environmental impact in our operations and supply chain. To accomplish this goal for energy and emissions, we aim to reduce our scope 1 and 2 GHG emissions by 70% and work with our supply chain to reduce scope 3 emissions by 30%. We have an ambition of net zero by 2050.

2022 Material Topic Alignment

GHG emissions & reduction, climate change, materials management, advanced technologies & innovation

SDG Alignment

Energy Management

	2021	2022	2023	Discussion	Source
Total energy consumed	6,480K	5,872K	5,150K	Total energy consumption is measured in gigajoules (GJ).	CDP Climate Response (Section C8.2a)
Percentage grid electricity	36%	38%	40%	During 2023, 40% of our total energy consumption came from grid electricity.	CDP Climate Response (Section C8.2a)
Percentage renewable	20%	24%	27%	We source renewable energy through a portfolio of mechanisms such as onsite solar, onsite wind turbines, our US wind vPPA and our purchase of energy attribute certificates, including RECs and international RECs (iRECs), renewable energy guarantees of origins (GOs) and tradable instruments for global renewables (TIGRs).	CDP Climate Response (Section C8.2a)
Total self-generated energy	<1%	<1%	1%	We self-generate approximately 1% of our total energy consumption through backup diesel generators and onsite owned solar panels. Any associated emissions are included in scope 1.	

Energy Management					
	2021	2022	2023	Discussion	Source
Activities to reduce energy consumption				As part of overall strategy to reduce GHG emissions, we focus on initiatives and projects that address energy efficiency. To date, our facilities have completed 49 projects providing an estimated annual energy reduction of 17,562 megawatt hours (MWh).	
Energy/Renewable energy targets				Our Materials Group (Label and Graphic Materials only) has an annual energy intensity reduction target of 2%, measured as MWh of electricity and natural gas consumed per unit of production. As of year-end 2023, Label and Graphic Materials reduced the energy intensity of its manufacturing facilities by 21% compared to its 2015 baseline, an average reduction of 3% per year. Our Solutions Group (Apparel Solutions only) has an annual energy intensity reduction target of 3%, measured as MWh of electricity and natural gas consumed per unit of production. As of year-end 2023, Apparel Solutions reduced energy intensity by 28% compared to its 2015 baseline, an average reduction of 3% per year. We are committed to reducing energy intensity in our facilities consistent with our overall climate strategy.	Climate Policy

Greenhouse Gas Emissions

	2021	2022	2023	Discussion	Source
Total GHG emissions (Scope 1+2)	371K	318K	266K	We measure overall GHG emissions to track progress against our 2025 and 2030 reduction targets. GHG emissions are measured in metric tons of carbon dioxide equivalent (tCO2e).	CDP Climate Response (Section C6)

Climate Policy |
| Scope 1 | 201K | 188K | 160K | | |
| Scope 2 | 170K | 130K | 106K | We measure market-based scope 2 GHG emissions from our operations, which includes our purchase of Energy Attribute Certificates (EACs) that provide renewable electricity from zero-emission resources, thereby reducing the emissions associated with our electrical use. Our location-based scope 2 emissions are available in our published CDP responses. CDP data for 2023 will be available after it is released by CDP in 2024. | |
| Scope 3 | | | | In 2023, we continued to advance our scope 3 decarbonization efforts and completed scope 3 reduction plans based on emissions hotspot analysis, lifecycle assessment and product carbon footprint models. This data-driven approach guides our efforts to lower our scope 3 footprint, particularly in categories 1 and 12. We increased our engagement with key suppliers, and continued supplier efforts will be a key to achieving our reduction targets.

Our enterprise scope 3 category 1 reporting is currently spend-based (USEEIO) and fluctuates with market trends and inflation. In 2023, we made progress toward utilizing material-based factors in the future. Moving from spend-based to material-based measurement will provide more accurate data in our reporting and unlock increasing use of enterprise data for our ongoing reduction efforts. | CDP Climate Response (Section C6) |

Greenhouse Gas Emissions

	2021	2022	2023	Discussion	Source
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	0%	0%	0%	We do not operate under any emissions-limiting regulations at this time.	CDP Climate Response (Section C6)
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets				We continue to perform well against our 2025 GHG reduction goal. To meet our ambitious 2030 sustainability goals, we will continue to drive efficiency improvements in our processes as well as innovate to develop products that require less energy-intensive processes for production. We will continue to transition our power purchasing toward green energy and seek out alternative energy sources, such as our concentrated solar facility in Turnhout, Belgium.	CDP Climate Response (Section C4) Climate Policy Integrated Report
Emissions Reduction Activities				The majority of our emissions reduction activities consists of renewable energy projects, which are applied across our global manufacturing footprint. Emissions reduction has been achieved through a range of activities, including energy efficiency improvements, fuel switching to less emissions-intensive sources, renewable electricity sourcing via onsite, owned solar, direct wind and solar PPAs, a virtual PPA, and procurement of RECs. Examples of our emissions reduction activities are reported to CDP. In June 2020, our US wind VPPA with Plum Creek Wind came to fruition, and our off-take from this 82-turbine, 230-MW project yielded 108,743 MWh of renewable power in 2023.	

Air Quality

	2021	2022	2023	Discussion	Source
Air emissions of the following pollutants: (1) NOx (excluding N2O) (2) SOx (3) VOCs (4) PM				Of our 270 facilities as of December 31, 2023, only 59, or 22%, produced air emissions such as nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOCs) or particulate matter (PM). Air emissions such as NOx are measured based on local permit requirements. The resulting data is site-specific and not available at an enterprise level at this time. VOC emissions are tracked at the site level. Our VOC data is not available at the enterprise level at this time.	
Updated Scope 1 methodology and EAC calculation				We provide Scope 1 GHG emissions from our operations which historically included all stationary fuels (natural gas, propane, and diesel). For 2023 reporting, we maintained this process. For all sustainability metrics, we work to continuously improve data accuracy and completeness as part of our commitment to transparency. With better collection of data, we can now calculate greenhouse gas emissions from four additional sources: combustion of solvents in thermal oxidizers, mobile sources (company vehicle fleet and North America truck fleet), refrigerants and GHG-based fire suppression systems. Our 2015 baseline year can also be revised to include these modifications for the GHG % reduction calculation. We also recently obtained additional information related to Energy Attribute Certificates (EACs) for 2015 from several European locations.	

Waste and Water

We're innovating new products and reengineering existing ones to reduce waste and increase the efficient use of materials. We also continually identify ways to reduce waste in our global operations. Our waste management initiatives help reduce costs, keep materials out of landfills and reduce our consumption of natural resources.

Despite our relatively insignificant use of water in our direct operations, we are committed to reducing our environmental impact wherever possible. We understand that our businesses and the communities in which we operate may be exposed to impacts associated with water scarcity and quality. Accordingly, we conduct an annual water assessment using the WRI Aqueduct Tool to determine site-specific priorities and opportunities.

2030 Goal Alignment

Goal 2 is to reduce the environmental impact in our operations and supply chain. To accomplish this goal for waste and water, we aim to divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled, and deliver a 15% increase in water efficiency at our sites that are located in high or extremely high-risk countries.

2022 Material Topic Alignment

Operational waste, materials management

SDG Alignment

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Waste Management

	2021	2022	2023	Discussion	Source
Percentage of waste diverted from landfill 1) including direct incineration, and 2) excluding direct incineration*	94%	1) 93% 2) 89%	1) 93% 2) 89%	By 2030, we aim to divert 95% of our waste from landfills, with at least 80% of our waste recycled and the remainder either reused, composted or sent to energy recovery. Unit is metric tons.	
Percentage of waste recycled	66%	66%	65%		
Amount of waste diverted from landfill by disposal method: 1) Waste-to-energy, 2) Incineration, 3) Recycled**		1) 34K 2) 8K 3) 113K	1) 35K 2) 6K 3) 102K		
Percentage of waste sent to landfills	6%	7%	7%		
Amount of waste sent to landfills**		12K	11K		
Provide data on significant spills	16	16	17	Defined as release to the environment (air, water, earth) where the quantity (a) exceeds 5 gallons/20 liters, (b) exceeds a Reportable Quantity in the US or (c) requires notification to a governing agency (excluding water). Most of these spills occurred inside a building and were contained and cleaned with little or no impact to the environment.	

*In 2022, we began to measure our waste diverted from landfill both 1) including direct incineration and 2) excluding direct incineration to better align our tracking with our 2025 and 2030 goals, respectively. Prior to 2022, we only reported waste diversion including direct incineration.
**Also in 2022, we started reporting the amount of waste diverted by disposal method, including amount sent to landfill and amount recycled.

Hazardous Waste Management

	2021	2022	2023	Discussion	Source
Amount of hazardous waste generated; percentage and amount recycled	17K 22%	17K 24%	15K 20%	We have publicly committed to reducing waste as part of our sustainability goals. Our strategy and targets to reduce hazardous waste are included in our broader waste reduction plan. Chemical waste and contaminated materials must be handled in accordance with our EHS Global Standard. Hazardous waste is measured in metric tons and by percentage recycled. In 2023, 20% (2K metric tons) was recycled.	Waste Reduction

Water Management

	2021	2022	2023	Discussion	Source
1) Total water withdrawn 2) Total water consumed 3) Percentage of each in regions with High or Extremely High Baseline Water Stress	1) 417 3) 30% withdrawn	1) 413 3) 31% withdrawn	1) 405 3) 32% withdrawn	Water withdrawal is measured in millions of gallons. Water usage is relatively low in our direct operations, but we see opportunities to make larger water-saving impacts in our value chain. The WRI Aqueduct Tool allows us to determine, by geography, how many of our sites are in areas of water stress. We assess our sites annually and analyze the data based on risk level (extremely high, high, medium high, medium low, low).	Water Policy CDP Water Security (Section W1.2b)
Description of water management risks and discussion of strategies and practices to mitigate those risks				We perform an annual water assessment using the WRI Aqueduct Tool. Based on recent assessments, any site falling into high or extremely high risk becomes part of our 15% water efficiency target included in our 2030 sustainability goals. We are currently evaluating the impact our direct operations may have on the water basins in those areas, as well as the risk(s) to our business of utilizing water resources in these regions. Further information on our water risks is described in our CDP Water Security response.	Water Policy CDP Water Security (Sections W3-W4)
Number of incidents of non-compliance associated with water quality permits, standards, and regulations	1	6	1	In 2023, one incident occurred: copper exceedance at our Peachtree City, Georgia, facility. After further analysis, the site determined that its incoming water supply has copper levels higher than its discharge permit. We have been in discussions with the city on resolution strategies. The site has elected to install treatment technology to target copper removal and is currently moving through the engineering design process.	
Effluent Management Program				This treatment method consists of each facility sending its wastewater effluent to a public or community treatment facility to be properly treated. Once the wastewater arrives at the treatment facility, it is treated through physical, chemical and/or biological processes.	

Our Employees

The health and safety of our employees is paramount to our business success. We aim to maintain our world-class safety culture and performance by safeguarding our employees and supporting the communities in which they live and work. We accomplish this through hazard recognition, safe work practices and compliance with environment, health and safety regulations.

We know that the best solutions come from a mix of ideas, perspectives and backgrounds. Our ambition is to offer a working environment that enables our employees to realize their full potential. We are proud to be a responsible employer of choice for approximately 35,000 people around the world, contributing to the economic livelihoods of our employees and supporting the communities in which we do business. Our corporate social responsibility efforts include employee volunteerism and financial support of community-based organizations, with most of our charitable contributions made through the Avery Dennison Foundation.
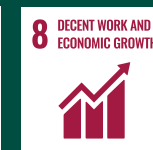
2030 Goal Alignment

Goal 3 is to make a positive social impact by enhancing the livelihood of our people and communities. To accomplish this goal, we aim to foster an engaged team and foster the well-being of the communities in which we and our supply chain operate.

2022 Material Topic Alignment

Fair & inclusive workspace

SDG Alignment

Occupational Health and Safety

	2021	2022	2023	Discussion	Source
Health and Safety Policy				We comply with applicable environmental, health and safety laws and regulations. We go beyond legal requirements whenever, in our judgment, it is prudent to do so. We've continued improving our practices and increased employee involvement and training to achieve and maintain a world-class safety record. Our EHS audit program covers compliance with industrial hygiene and safety-related laws and regulations. In 2023, 97% of computer-based new hires completed our onboarding training course "Health and Safety: Just Slow Down a Second."	Employee Health & Safety
Total recordable incident rate and fatality rate for direct employees and contract employees	TRIR: 0.21 LTIR: 0.11 Fatality Rate: 0	TRIR: 0.23 LTIR: 0.08 Fatality Rate: 0	TRIR: 0.22 LTIR: 0.09 Fatality Rate: 0	TRIR: Total recordable incident rate. TRIR provides the number of recordable injuries cases per one hundred (100) employees over a period of one (1) year. [(Number of injuries and illnesses x 200,000) / Employee hours worked = Incidence rate] LTIR: Lost time injury rate We experienced no fatalities in 2021, 2022 or 2023.	Employee Health & Safety
Efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks				Our manufacturing facilities assess exposures from substances and tasks where potential health risks are present. Each manufacturing facility evaluates the need for improvements in its manufacturing processes, facilities, training, personal protective equipment and medical surveillance. We use our internal chemical management system to review and ensure safety data sheets are updated and readily available to our employees. We also implemented the Avery Dennison RSL to eliminate substances of concern from our products and processes.	

Occupational Health and Safety

	2021	2022	2023	Discussion	Source
Percentage of operations certified to 1) ISO 14001 2) OHSAS 18001 or ISO 45001	1) 25%	1) 22% 2) 12%	1) 24% 2) 13%	As of December 31, 2023, 40 of our 168 operations facilities (24%) had ISO 14001 certification. Operational sites include distribution centers, manufacturing, R&D, fast response units and machine shops. At that same time, 21 of our 168 operations facilities (13%) had OHSAS 18001 or ISO 45001 certification. We began reporting OHSAS 18001 / ISO 45001 certifications in 2022.	
Number of locations with Environmental Audits	8 Corporate 18 HIGG FEM	20 Corporate 23 HIGG FEM	13 Corporate 24 HIGG FEM	We regularly audit our facilities to ensure they comply with environmental, health and safety requirements. These audits are undertaken in two primary ways. One is our Corporate EHS audits, which are led by our specialist teams. Our 2023 audits included EHS compliance audits and process safety management audits. In our Apparel Solutions facilities, we undergo HIGG FEM audits, which are led by external auditors. HIGG FEM is the platform in which we assess our environmental management on energy, water, waste, waste water, air emissions and chemical management. In 2023, 24 of our production sites conducted SAC-verified HIGG FEM assessments.	

Labor Relations

	2021	2022	2023	Discussion	Source
Statement of commitment to a fair or living wage for all employees				We offer market-based, competitive wages in all markets where we compete for talent. All of our employees are paid at least the applicable legal minimum wage, and over 98% of our employees were paid above the applicable legal minimum wage at year-end 2023.	
Paying temporary contract workers minimum wage and/or other employment benefits				Suppliers, contractors and subcontractors must compensate their employees in compliance with applicable laws pertaining to wages, including overtime and benefits. Suppliers and subcontractors may not make deductions from pay for disciplinary infractions, reporting unfair or illegal practices, or other whistleblowing activities. Within our Solutions Group, we have made a commitment that our contingent workforce will not exceed 10% of the total workforce, contracts will not exceed six months and contingent workers will be paid the same as an entry-level employee in the same role. We completed two contingent audits against this standard operating procedure in 2023. At year-end 2023, our contingent workforce comprised less than 5% of the total Solutions Group employee base, including AD Smartrac employees.	Supplier Standards Social Compliance Supplementary Standards
Evidence of collective agreements				There are multiple collective agreements in place across our enterprise, some industry-wide by country and others specific to our locations. In some countries, there are no such agreements.	

Community Relations

	2021	2022	2023	Discussion	Source
Discussion of engagement processes to manage risks and opportunities associated with community interests				We have a long history of helping to strengthen the communities in which we do business through volunteerism and financial support of community-based organizations. Using our resources to help communities meet some of their most urgent challenges is a natural extension of our values and part of our responsibility as a member of communities around the world. We make most of our community investments through the Avery Dennison Foundation (ADF). Employees across our geographic regions and businesses also organize additional community-giving efforts. In all our giving, we focus on efforts to drive measurable and meaningful change.	Avery Dennison Foundation Community Impact web page
Annual giving	$6.2M	$5.1M	$5.5M	Annual giving is measured in US dollars ($). Values reflect giving from the ADF and our company. In 2023, after undertaking a formal strategic review process, ADF updated its grantmaking focus areas to increasing education access, advancing environmental sustainability and supporting secure livelihoods; continued to support Avery Dennison communities affected by disasters; and supported organizations promoting diversity, equity and inclusion (DEI).	Integrated Report Corporate Social Responsibility Report

Workforce

	2021	2022	2023	Discussion	Source
Number of employees	36,062	35,929	34,716		
Percentage of favorable responses on employee engagement survey	82%	84.5%	80%	Our engagement score reflects the proportion of our global workforce responding as "agree" or "strongly agree" to key questions in our annual company-wide employee engagement survey. In 2023, we utilized a new partner, process and platform, and more than doubled the questions asked. As such, 2023 reflects a new baseline from which we will measure our future progress.	
Training Policy				To achieve our vision in a way that reflects our company's values, our goal is to attract, develop and retain the best talent, reflecting a diverse and high-performing workforce at all levels. We aim to provide an environment of professionalism, growth and opportunity, facilitate career and personal development, and develop programs aimed at optimizing productivity at all levels. At a minimum, all employees receive the training needed to perform their job duties as well as assigned Values and Ethics training. There are a number of resources available to our employees globally to facilitate their career and personal development: • Onboarding system to support a well-structured onboarding of new employees • Global performance management process focused on how employees are performing and growing • Career development/learning centers that house tools for career development and training	

Workforce

	2021	2022	2023	Discussion	Source
Employee training				Our philosophy for development and training follows the 70/20/10 approach: 70% of learning happens on the job, 20% of learning comes from exposure to and interaction with others and 10% of learning happens formally. Learning Advisor, our global learning platform, supports our computer-based employees in activating this approach to their personal and career development. Through Learning Advisor, employees select from formal facilitator-led training or self-paced e-learning and toolkits. They can access ideas on how to activate learnings in their roles and tips on how to learn from others. To complement resources supporting individual development, we also provide various assessments, programs and interventions to enhance the effectiveness of our teams. Additionally, there are local guidelines and policies in place at most of our sites, as well as regional initiatives and programs, to facilitate and support the development of our employees.	
Employee turnover (voluntary/ total)	12% 19%	12% 19%	9% 19%		

DEI

We understand that by leveraging the diverse perspectives within our organization, we enhance our innovation, creativity and adaptability, positioning ourselves for continued success in an ever-changing global landscape.

In 2023, we continued to advance our culture of diversity, equity and inclusion, focusing on actions and impact connected to our global DEI pillars:

- Making merit and transparency even more foundational to our employee experience
- Increasing the number of women who hold leadership positions
- Enhancing the experience of our manufacturing employees
- Increasing representation and inclusion for underrepresented groups

We refreshed our diverse slate standards and reporting to ensure we source and consider a strong set of candidates with various experiences, backgrounds and perspectives. We piloted several leadership development programs and we worked to improve communication with, and inclusion of, our manufacturing workforce. Our Talent Management team, in partnership with our Company Leadership Team, developed and piloted an enterprise-wide competency model that will serve as the company standard against which we hire, develop, promote and reward talent. The competency model launched in 2024. We are committed to inclusion for all, and we continue to promote DEI internally and externally.

We are dedicated to listening, learning, evolving and holding ourselves accountable for creating a more inclusive business. We plan to issue our second DEI report for the year 2023 later this year.

2030 Goal Alignment

Goal 3 is to make a positive social impact by enhancing the livelihood of our people and communities. To accomplish this goal for our people, we aim to foster an engaged team and an inclusive workplace.

2022 Material Topic Alignment

Fair & inclusive workspace

SDG Alignment

DEI

	2021	2022	2023	Discussion	Source
Non-Discrimination Policy				We are committed to treating our employees fairly and with respect, which means we provide equal opportunity to all employees and applicants. We prohibit unlawful discrimination or harassment because of race, color, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation, gender identity or expression, veteran status or any other status protected by law. In making employment decisions, we focus on individual qualifications; demonstrated skills, abilities and achievements; and other factors relevant to the job. In 2023, our computer-based new hires completed non-discrimination training courses on dignity and respect in the workplace (95% completion rate) and diversity (97% completion rate).	Code of Conduct
Incidents of discrimination and corrective actions taken				We are committed to providing a work environment where employees are treated with respect, courtesy and dignity. We encourage and support teamwork and mutual respect among employees. We do not report on specific incidents.	Code of Conduct

We maintain a zero tolerance policy against all forms of harassment involving a protected category under applicable federal, state or local laws, including but not limited to sexual harassment, threats in the workplace and violence in the workplace.

Violations of this policy result in prompt and appropriate preventive and/or remedial action, up to and including termination of employment.

If employees believe this policy has been violated, we encourage them to report the incident to their manager, their Regional Ethics Counsel (or another member of the Law Department) or Human Resources, or by contacting our Business Conduct GuideLine, anonymously if they so choose.

DE&I

DEI					
	2021	2022	2023	Discussion	Source
Gender pay ratios				In 2023, we reviewed pay equity (considering total base and annual incentive compensation) with respect to gender for all non-manufacturing employees globally, as well as all manufacturing employees in the US and certain other countries, and with respect to race/ethnicity for all US employees. Our teams engaged with company leadership on our pay equity/transparency priorities and implemented several advancements, such as including employees from recently integrated acquisitions in our population data, expanding our analysis to include long-term incentives for director-level and above employees, and fine-tuning our analytic model in certain regions to reflect their unique circumstances. We also enhanced pay transparency to comply with evolving laws and regulations.	Proxy Statement
Diversity, Equity & Inclusion Strategy				Our DEI strategy reflects who we are today and the future we are building together. We continually reassess the impact the DEI strategy has on our goals. By introducing a new inclusion index in our 2023 annual employee engagement survey, we were able to better understand how our organizational culture impacts how included employees feel at Avery Dennison. We are developing action plans with each of our Regional DEI Councils to address our new inclusion index drivers.

These new inclusion drivers also surfaced as key engagement drivers, meaning that as we work on these focused areas, we will positively impact both inclusion and engagement. | Diversity, Inclusion, and Equal Opportunity

Integrated Report

DEI 2022 Synopsis Report |

DE&I

DEI - Workforce Demographics

	2021	2022	2023	Discussion	Source
Total percentage of women in the workforce	38%	38%	38%		
Total percentage of female executives	23%	28%	29%	Defined as Vice President level and above.	
Total percentage of women in manager level and above roles	35%	36%	36%	Our 2025 and 2030 sustainability goal is to reach 40% female representation in manager and above positions. To achieve this goal, we are focused on internal talent pipeline development and retention of female employees, as well as ensuring diverse slates in our hiring process. We began measuring gender diversity in 2015 at which time we were at 32% women at the manager level and above.	Integrated Report
Percentage of women in manager level roles	36%	37%	37%		
Percentage of women in supervisory level roles	40%	40%	41%		
Percentage of women in professional level roles	52%	52%	52%		
Percentage of women in clerical and manufacturing roles	36%	35%	36%		

DE&I

DEI - Workforce Demographics

	2021	2022	2023	Discussion	Source
Percentage of racially or ethnically diverse Executive/Sr. Level Officials	22%	22%	20%	Data reflects the voluntary self-identification by our US employees of racial or ethnic diversity.	Integrated Report
Percentage of racially or ethnically diverse First/Mid-Level Officials	22%	22%	23%	Our EEO-1 (equal employment opportunity) statistics, which we collect as required by the US Equal Employment Opportunity Commission (EEOC), are publicly available as a consolidated report. EEO-1 data reflects only our US workforce.	2021 EEO-1 Summary Table 2022 EEO-1 Summary Table 2023 EEO-1 Summary Table
Percentage of racially or ethnically diverse Professionals	25%	25%	27%		
Percentage of racially or ethnically diverse Technicians	17%	16%	16%		
Percentage of racially or ethnically diverse Sales Workers	12%	13%	14%		
Percentage of racially or ethnically diverse Administrative Support	25%	25%	27%		
Percentage of racially or ethnically diverse Craft Workers	13%	14%	14%		
Percentage of racially or ethnically diverse Operatives	27%	36%	37%		

Governance

We strive to create long-term value for our stakeholders. Among other things, that means innovating and operating in ways that have a positive impact on people and the planet. We cannot be a force for good outside our company if we don't demonstrate ethics, integrity, compliance and transparency in our own operations.

We have been consistently focused on advancing our ESG profile, establishing our priorities, setting ambitious goals and making consistent progress toward their achievement. Our sustained progress reflects the commitment and passion of our management and employees, as well as the robust engagement and oversight of our Board.

2022 Material Topic Alignment

Climate change, supply chain

SDG Alignment

Human Rights

	2021	2022	2023	Discussion	Source
Human Rights Policy				We address human rights concerns regarding our operations and supply chain through our company policies, including our Human Rights Policy. Since 2021, we have achieved full membership of the Ethical Trading Initiative (ETI) and embedded ETI base code into our Apparel Solutions labor standards and policies. In 2023, for the second year in a row, we were awarded a 100 rating by the Human Rights Campaign (HRC) in their annual Corporate Equality Index. To mitigate the human rights risks in our supply base, we conducted 771 social audits within Apparel Solutions' supply chain in 2023 against our social standards on labor rights and health and safety. These included 347 social audits of our owned tier 1 facilities covering 16,875 employees and 423 social audits of our outsource suppliers. From the social audits, we noted that there were certain deviations from our standards in our supply chain, including working hours and health and safety issues. These human rights issues have been substantially addressed through required remediation. To further enhance our commitment to human rights due diligence, we are piloting new tools to undertake supply chain mapping and build better visibility into our supply chain, including human right risk segmentation. This will enable us to conduct a deep-dive on human rights risks in our downstream supply chain and further reinforce the due diligence on protecting human rights of employees throughout our production.	Human Rights Policy

Human Rights

	2021	2022	2023	Discussion	Source
Human Rights or other policy covers community consultations and indigenous rights				Since 2021, we have published our Responsible Sourcing Policy, which includes requirements related to labor rights as well as prohibitions on endangered animal and plant material, and responsible forestry and animal practices. As a significant stakeholder in the supply chain of pulp and paper products, we recognize our role in promoting and providing sustainable and socially responsible paper products. Our Responsible Paper Procurement Policy requires wood fiber not to be harvested in violation of internationally accepted guidelines and treaties to protect human rights of indigenous peoples. Our Human Rights Policy outlines our commitments to human rights within our supply chain. We continue to monitor the growing number of supply chain due-diligence and transparency regulations and customer requirements. We assess risk and complete due diligence where applicable.	Responsible Paper Procurement Policy Solutions Group Responsible Sourcing Policy
Policy Against Child Labor				We do not use, and we prohibit our suppliers from using, child labor. The term "child" refers to a person younger than 15 or the local legal minimum age for employment, whichever is higher. Our Human Rights Policy outlines our commitments, and our Social Compliance Supplementary Manual discusses conditions for juvenile workers and required actions if an instance of child labor is discovered.	Supplier Standards Human Rights Policy

Business Ethics					
	2021	2022	2023	Discussion	Source
Business Ethics Policy				Our Code of Conduct is available in 33 languages and covers anti-corruption and anti-bribery	Code of Conduct
Employee Protection/ Whistleblower Policy				Our Code of Conduct contains language that covers employees' protection, reporting of concerns and non-retaliation. In 2023, 95% of our computer-based new hires completed our training "When Employees Raise Business Concerns." Further, over 99% of our employees across a regional deployment completed our courses "Reporting Concerns: The Observer's Dilemma" and "Speaking Up: What's Stopping Me?"	Code of Conduct
Percentage of the total workforce who acknowledge the Code of Conduct in writing	100%	100%	100%	Our Code of Conduct covers the policies that guide work at our company, including responsibilities of employees, managers and leaders as well as workplace conduct, health and safety, and business ethics. All employees acknowledge the code in writing at hire, and regularly computer-based employees complete an additional compliance certification. In 2023, 96% of our computer-based new hires also completed our Code of Conduct training "Best Practices."	Code of Conduct

Business Ethics

	2021	2022	2023	Discussion	Source
Ethics Policy or Code of Conduct extends to include suppliers				By extension, our suppliers are part of our culture, so we hold them to the same ethical standards we follow. They are bound by our Global Supplier Standards, which describe the practices and ethical behavior we require from our suppliers.	Code of Conduct
Highest level of executive oversight for anti-bribery or anti-corruption				The Governance Committee of our Board of Directors oversees environmental sustainability and community investment matters, our Values and Ethics program, and potential conflicts of interest under our Legal and Ethical Conduct Policy.	
Anti-corruption training is provided to employees				Training topics include Antitrust Compliance, Conflict of Interest, Fraud Awareness and Global Export Controls. Training courses addressing anti-corruption averaged 97% completion among our computer-based new hires in 2023.	
Percentage of computer-based workforce who completed e-learning courses on business ethics issues	96%	99%	97%	In 2023, 97% of employees completed courses on business ethics topics including conflicts of interest, due diligence, trade compliance, financial crimes, gifts, export controls and global competition.	
Percentage of all facilities for which an internal audit/risk assessment concerning business ethics issues has been conducted	100%	100%	100%	Our Internal Audit team and our Corporate Ethics and Compliance team conduct annual risk assessments that cover our entire enterprise.	

Privacy					
	2021	2022	2023	Discussion	Source
Data Protection Policy				We primarily handle personal information from our staff, along with minimal data (like contact details) from customers, suppliers and other business partners. Additionally, we process limited personal data (such as IP addresses) on behalf of our customers within our digital services. Details about the data we collect and our practices are outlined in our publicly accessible Privacy Notice. Our global privacy program supports the safeguarding of personal data and our compliance with relevant privacy and data protection laws. In 2023, 94% of our computer-based new hires completed our Global Data Protection training.	Privacy Notice GDPR

Political Spending

	2021	2022	2023	Discussion	Source
Information on corporate funds for political advocacy (lobbying, campaign contributions, money to tax-exempt groups or trade associations)				We are members of various trade associations such as those identified below that, among other things, engage in political advocacy on behalf of their membership. We also engage directly with policymakers to discuss legislation with a significant impact on our products. We work with a Belgium-based and a Washington D.C.-based public affairs agency to provide monitoring and policy analysis of circular economy legislation that may have an impact on our company. We do not use corporate or foundation funds to make financial contributions to lawmakers or campaign groups. • Apparel and Footwear Association (AFAA) • Association of Plastics Recyclers (APR) • DIGITALEUROPE • American Chamber of Commerce to the EU (AmCham EU) • Association for Packaging and the Environment (EUROPEN)	

Governance of Sustainability

	2021	2022	2023	Discussion	Source
Sustainability Council				With strategic guidance and direction provided by our CEO, responsibility for ensuring we continue to make progress toward our sustainability goals resides with our Sustainability Council. The Council is led by our enterprise sustainability leader reporting in this capacity to our CEO, who is accountable for our progress. The council is composed of a cross-divisional and cross-functional group of management working to ensure we progress toward our 2025 sustainability goals, advance our roadmaps to achieve our 2030 sustainability goals and targets, and accurately report to our stakeholders.	Proxy Statement CDP Climate Response (C1.2a)
Board Committee with responsibility for sustainability				Board oversight of environmental sustainability and community investment is primarily conducted by the Governance Committee, which receives a report from management on each of these topics at least once a year. Board oversight of social sustainability is conducted primarily by the Talent and Compensation Committee, which reviewed DEI, including pay equity and transparency, at multiple meetings in 2023 and regularly discusses other matters related to talent management. In 2023, the Audit Committee received an update on sustainability data reporting as we prepare to comply with new reporting regulations. In addition, our full Board engages with business leaders on their sustainability initiatives during its regular review of their business strategies.	Proxy Statement CDP Climate Response (C1.2a)
Executive Director with responsibility for sustainability				With strategic guidance and direction provided by our CEO, management responsibility for ensuring that we continue to make progress toward achieving our sustainability goals resides with our Sustainability Council led by our enterprise sustainability leader reporting in this capacity to our CEO, who is accountable for our progress.	Proxy Statement Integrated Report CDP Climate Response (C1.2a)

Governance of Sustainability

	2021	2022	2023	Discussion	Source
Executive compensation linked to ESG				Our CEO's annual performance evaluation includes an assessment of his performance against his predetermined strategic objectives, which include progress toward our sustainability goals. Other Named Executive Officer (NEO) compensation decisions include consideration of their ESG-related achievements. Detailed information of CEO and other NEO compensation is available in our proxy statement.	CDP Climate Response (C1.2a) Proxy Statement
Employee sustainability training				Our employees receive regular communications about our sustainability commitments and additional focused trainings during our "Sustainable September" campaign. We train our Solutions Group leaders in site operations, human resources and procurement as part of our Integrated Compliance Assurance Program. In 2023, we also continued specific function-based training on scope 3 GHG emissions. Materials Group leaders and employees are trained on our sustainability strategy and goals and are offered deep-dive sessions on specific sustainability topics (for example, scope 3 GHG emissions). In 2023, we continued our Sustainability Dialogues program in our Materials Group, consisting of a series of interactive training sessions offered to all employees, or to a specific function, with each dialogue focused on a specific sustainability topic.	

Board Diversity

	2021	2022	2023	Discussion	Source
Percentage of women on the Board	22%	22%	30%	As of the end of each reporting year.	Proxy Statement Board of Directors
Percentage of racial/ethnic minorities on the Board	33%	33%	20%	As of the end of each reporting year. 30% of our 2024 director nominees self-identified as from racial/ethnic minorities.	
Board of Directors age range	50-69 years	51-69 years	52-71 years	As of the end of each reporting year.	
Size of the Board	9	9	10	As of the end of each reporting year.	

Climate Change

	2021	2022	2023	Discussion	Source
Climate Change Policy				Sustainability is one of our company values as well as one of our core strategies. We are committed to reducing GHG emissions throughout our operations and value chain. In 2021, we received approval from the SBTi for our reduction targets, with our scope 1 and 2 targets consistent with reductions required to keep warming to no more than 1.5°C. Our 2030 sustainability goals include scope 3 reduction targets and an ambition of net zero emissions by 2050.	Climate Policy ESG Website
Board oversight of climate strategy				Board oversight of environmental sustainability is primarily conducted by the Governance Committee, which receives a report from management on sustainability topics at least once a year. The Committee is responsible for providing oversight over key environmental sustainability initiatives, policies and programs, including our climate strategy.	Climate Policy CDP Climate Response (Section C1.1) Proxy Statement
Climate change strategy				Our 2025 goal is to achieve at least a 3% absolute scope 1 and 2 GHG reduction year over year, in line with the 3% Solution developed by the World Wildlife Foundation. In 2021, we announced our 2030 goals, which include a 70% absolute reduction against our 2015 baseline for scope 1 and 2, and a 30% absolute scope 3 reduction from purchased goods and services and end-of-life treatment of sold products against a 2018 baseline year. Our ambition is net zero emissions by 2050. We use a combination of efficiency and emissions reduction initiatives, onsite generation and market-based solutions to reduce our scope 1 and 2 footprint.	2030 Targets

Climate Change

	2021	2022	2023	Discussion	Source
Climate change-related risks and opportunities				Through our risk identification process, we evaluate climate risks as standalone risks and also as part of broader risks. During 2023, we conducted a comprehensive climate risk assessment as part of our effort to align to the Task Force on Climate-related Financial Disclosures using scenario analysis to identify the physical and transition risk associated with our business. Physical risks of coastal flooding, fluvial flooding, drought, wildfire, water stress and tropical cyclones were assessed through 2100. The physical risk assessment showed the potential level of loss on a site-level basis of the top 300 company assets, including owned, leased and third-party warehouses. In addition to physical risks, four transition risks were assessed through 2050: policy, market, reputational and technology. Included in our scenario analysis was the projected carbon policy and tax exposure of the business on a monetary level. This analysis highlighted how our existing programs and initiatives help mitigate these risks, such as ensuring we use technology and innovation to meet customer sustainability expectations. For example, in 2022, we released our recycled polypropylene (rPP) product line, requiring 99% fewer fossil fuel materials to manufacture and bringing polypropylene labeling closer to circularity. Our chemically recycled rPP films use post-consumer waste to create label solutions for more circular polypropylene labeling. This product range has a double sustainability impact: it enables recycling of waste that would otherwise be burned or landfilled, and it reduces the amount of fossil fuel used.	CDP Climate Response (Section C3.3) Proxy Statement

Climate Change

	2021	2022	2023	Discussion	Source
Incentives for management around climate change				Our CEO's annual incentive award is in part based on the Talent and Compensation Committee's evaluation of his performance against his predetermined strategic objectives for the year. One of these objectives is making progress toward our sustainability goals, including reducing GHG emissions. More information on incentive-based pay for management is available in our 2024 proxy statement.	CDP Climate Response (Section C1.3) Proxy Statement
Internal price of carbon				We continue to evaluate a price on carbon, including as part of our TCFD project in 2023 and our overall climate strategy, but have not instituted one at this time.	CDP Climate Response (Section C11.3)

Awards

America's Most Responsible Companies 2024

America's Greenest Companies 2024

The Best Employers for Women 2023

HRC Foundation's Corporate Equality Index 100: 2023, 2024

Workplace Pride Global Benchmark Award 2023

CDP Supplier Engagement Leader 2021, 2022

Ratings and Rankings

EcoVadis	CDP Climate, Forest, Water	CDP Supplier Engagement	ISS	Sustainalytics	MSCI
Gold	**B**	**A-**	**C+ Prime**	**Low risk**	**AA**

Disclosures

	Discussion	Source
GRI	We published sustainability reports beginning in 2008 (moving to annual reporting with our first integrated financial and sustainability report for 2019) and have reported in accordance with or in reference to GRI since 2010. In 2020, we transitioned from reporting GRI indexing in our Integrated Report to reporting in this ESG Download.	GRI Index, pg. 68
SASB	The Sustainability Accounting Standards Board (SASB) categorizes Avery Dennison within the primary industry of Containers & Packaging under its Sustainable Industry Classification System (SICS). SASB also categorizes Avery Dennison within secondary industries of Apparel, Accessories & Footwear and Chemicals. We report relevant indicators across all three of these sector standards.	SASB Index, pg. 69
Task Force on Climate-related Financial Disclosures (TCFD)	In 2022, we partnered with a third-party expert to assess our current disclosures against the TCFD recommendations. In 2023, we further aligned with these recommendations by completing a climate-related physcial and transition risk assessment and scenario analysis.	TCFD Index, pg. 73
ISSB Sustainability Disclosure Standards	We support the growing adoption of International Sustainability Standards Board (ISSB) as a reporting standard and will assess our reporting against ISSB and other disclosures that incorporate it as a standard as part of our ongoing sustainability reporting transparency efforts.	
CDP	We have responded to CDP Climate since 2010, and CDP Water and CDP Forests since 2015 and 2016, respectively. For 2023, the most recently rated year, we were rated B for Climate, Forests and Water. In 2021, we became a CDP Supply Chain member. In 2023, we received an 'A-' Supplier Engagement Rating.	CDP Responses
Science-Based Targets	Our approach is based on the 3% solution developed by the World Wildlife Fund, CDP and McKinsey & Company. In October 2021, our GHG emissions reduction targets were approved by the SBTi.	2030 Targets
UN Global Compact	In November 2020, we joined the UN Global Compact and have disclosed our progress on our annual commitments since November 2021.	Annual Reporting
Sustainable Development Goals	In November 2020, we made commitments to the UN Sustainable Development Goals and subsequently aligned our most material sustainability topics to focus within these 17 goals.	SDG Alignment to 2025 Goals SDG Alignment to 2030 Goals
Sustainable Apparel Coalition	Our Solutions Group has been a member of the Sustainable Apparel Coalition since 2012, and we conduct HIGG FEM audits and Facility Social and Labor Module (FSLM) audits of our Solutions Group manufacturing facilities. These audits are accessible in the HIGG index available to SAC members.	HIGG Index HIGG Responses

Appendix

2025 + 2030 Goal Differences

While our 2030 and 2025 goals follow similar key performance indicators across similar categories, there are some key differences between the two, as described below.

Sustainable Product Revenue
For our 2025 goals, sustainable product revenue is a measure of sales volumes of products we include in our Sustainable ADvantage portfolio. Products can be included in this portfolio for a number of reasons, including using recycled or bio-based materials and certified paper products and enabling recyclability. For our 2030 goal, our Solutions Group continues to use Sustainable ADvantage as the delineating factor, although our 2030 goal focuses only on core and RFID products. Our Materials Group refocused our 2030 goal on 100% standard labels containing recyclable or renewable materials and product offerings that enable circularity (while still offering Sustainable ADvantage products).

Greenhouse Gas (GHG) Emissions Reduction Goals
Our measurements for scope 1 and 2 remain the same between our 2025 and 2030 goals; however, our 2030 goals are more ambitious and have been approved by the Science Based Targets initiative (SBTi). We also introduced a scope 3 goal as part of our 2030 goals, which has been SBTi approved. While we have reported our scope 3 emissions through CDP for some time, we are working on improving tracking and management systems to enable us to share how we've been driving scope 3 reductions.

Certified Paper
Both our 2025 and 2030 goals aim to achieve 100% certified paper. Our 2030 goals are further enhanced with a focus on deforestation-free sourcing, as defined by the Food and Agriculture Organization of the United Nations.

Waste and Recycling
Our 2025 and 2030 goals for waste management differ slightly in that our 2030 goal does not include incineration without energy recovery as "landfill free." While only a small percentage of our waste is treated in that way, we think this makes our 2030 goal a stronger step toward more sustainable waste reduction.

Water Management
Introduced in our 2030 goals, our water efficiency goal is intended to help drive reduction in water usage across our business. In addition to this efficiency effort, we are looking to our value chain, where we recognize more water use and water risks exist than in our own operations.

Our People
While some of our people metrics remain similar between our 2025 and 2030 goals, we added key metrics to look more comprehensively at our social impact. Avery Dennison has a strong track record of safety and employee engagement, and we are working to ensure that continues as we grow our company.

GRI Index

Metric	Disclosure	Source
2-7	Employees	Pg.44, 49
2-30	Collective bargaining agreements	Pg.42
205-2	Communication and training about anti-corruption policies and procedures	Pg.55
301-2	Recycled input materials used	Pg.18
302-1	Energy consumption within the organization	Pg.30
302-2	Energy consumption outside of the organization	Pg.30
302-3	Energy intensity	Pg.30
302-4	Reduction of energy consumption	Pg.30, 31
302-5	Reductions in energy requirements of products and services	Pg.18
303-1	Interactions with water as a shared resource	Pg.38
304	Biodiversity	Pg.21
305-1	Direct (Scope 1) GHG emissions	Pg.32
305-2	Energy indirect (Scope 2) GHG emissions	Pg.32
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pg.33, 34

GRI Index

Metric	Disclosure	Source
306-3	Waste generated	Pg.37
306-4	Waste diverted from disposal	Pg.36, 37
306-5	Waste directed to disposal	Pg.36
308-1	New suppliers that were screened using environmental criteria	Pg.27
403-9	Work-related injuries	Pg.40
404-1	Average hours of training per year per employee	Pg.44, 45
405-1	Diversity of governance bodies and employees	Pg.60
406-1	Incidents of discrimination and corrective actions taken	Pg.47
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg.42
408-1	Operations and suppliers at significant risk for incidents of child labor	Pg.28
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pg.28
413-1	Operations with local community engagement, impact assessments, and development programs	Pg.43
414-1	New suppliers that were screened using social criteria	Pg.27

SASB Index

Metric	Disclosure	Source
Containers & Packaging Sustainability Accounting Standard (RT-CP)		
RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Pg.33
RT-CP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Pg.33
RT-CP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs) and (4) particulate matter (PM)	Pg.33, 34
RT-CP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Pg.30
RT-CP-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Pg.38
RT-CP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Pg.38
RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Pg.38
RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	Pg.37
RT-CP-250a.1	(1) Number of recalls issued, (2) total units recalled	Pg.21
RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern	Pg.21
RT-CP-410a.1	Percentage of raw materials from: (1) recycled content, (2) renewable resources and (3) renewable and recycled content	Pg.14, 15
RT-CP-410a.2	Revenue from products that are reusable, recyclable or compostable	Pg.18
RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Pg.18

SASB Index

Metric	Disclosure	Source
Containers & Packaging Sustainability Accounting Standard (RT-CP) Continued		
RT-CP-430a.1	Total wood fibre procured; percentage from certified sources	Pg.14, 15
RT-CP-430a.2	Total aluminum purchased; percentage from certified sources	Pg.17
RT-CP-000.A	Amount of production, by substrate	Pg.17
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal and (4) plastic	Pg.17
RT-CP-000.C	Number of employees	Pg.44
Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA)		
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Pg.20
CG-AA-250a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	Pg.20
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	Pg.24
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Pg.23
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Pg.23
CG-AA-430b.2	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labor code of conduct audits	Pg.25

SASB Index

Metric	Disclosure	Source
Apparel, Accessories & Footwear Sustainability Accounting Standard (CG-AA) Continued		
CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain	Pg.26
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Pg.16
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Pg.16
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Pg.23
Chemicals Sustainability Accounting Standard (RT-CH)		
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Pg.33
RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Pg.33
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs) and (4) hazardous air pollutants (HAPs)	Pg.33, 34
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Pg.30
RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Pg.38
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Pg.38
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Pg.38
RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Pg.37

SASB Index

Metric	Disclosure	Source
Chemicals Sustainability Accounting Standard (RT-CH) Continued		
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Pg.43
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Pg.40
RT-CH-320a.2	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	Pg.40
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	Pg.19
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Pg.17

TCFD Index

Metric	Disclosure	Source
Governance	Describe the board's oversight of climate-related risks and opportunities	Pg.58 CDP Climate C1.1a, 1.1b
	Describe management's role in assessing and managing climate-related risks and opportunities	Pg.58 CDP Climate C1.2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Pg.62 CDP Climate C2.1a, C2.3, C2.3a, C2.4, C2.4a
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	CDP Climate C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pg.61 CDP Climate C3.2, C3.2a, C3.2b
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	Pg.62 CDP Climate C2.1, C2.2, C2.2a
	Describe the organization's processes for managing climate-related risks	CDP Climate C2.1, C2.2
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	CDP Climate C2.1, C2.2
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Pg.9-12 CDP Climate C4.2, C4.2a, C4.2b, C9.1
	Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	Pg.32 CDP Climate C6.1, C6.3, C6.5, C6.5a
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Pg.9-12 CDP Climate C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b