

F0. Introduction

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F0.1

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**(F0.1) Give a general description of and introduction to your organization.**

Avery Dennison Corporation is a global materials science and digital identification solutions company that provides branding and information labeling solutions, including pressure-sensitive materials, radio-frequency identification (RFID) inlays and tags, and a variety of converted products and solutions. The company designs and manufactures a wide range of labeling and functional materials that enhance branded packaging, carry or display information that connects the physical and the digital, and improve customers' product performance. The company serves an array of industries worldwide, including home and personal care, apparel, e-commerce, logistics, food and grocery, pharmaceuticals and automotive.

In 2022, we changed our operating structure to align with our overall business strategy.

The information disclosed in this response is reported based on our new reportable segments.

These changes resulted in a new segment, Materials Group, comprising our former Label and Graphic Materials (LGM) segment and Industrial and Healthcare Materials (IHM) segment. Additionally, our former Retail Branding and Information Solutions (RBIS) segment was renamed Solutions Group.

We operate in more than 50 countries worldwide with approximately 200 manufacturing and distribution facilities and 36,000 employees. In 2022, our global net sales were \$9.0 billion, and our Materials Group and Solutions Group reportable segments made up approximately 72% and 28%, respectively, of our total net sales. Further information about Avery Dennison, our business, and our organizational structure can be found at [www.averydennison.com](http://www.averydennison.com).

To the extent possible, Avery Dennison has aligned our CDP responses with our practices and procedures. Due to the nature of the CDP Questionnaires, such as the drop-down options provided, there may be some variability between actual and reported practices and procedures. In addition, forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from the results, performance or achievements expressed or implied thereby.

F0.2

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**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

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**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

F0.4

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(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

**Timber products**

**Commodity disclosure**

Disclosing

**Stage of the value chain**

Manufacturing

Retailing

**Are you disclosing information on embedded commodities?**

No, because we have no embedded commodities

**Explanation if not disclosing**

<Not Applicable>

**Other - Rubber**

**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

**Stage of the value chain**

<Not Applicable>

**Are you disclosing information on embedded commodities?**

<Not Applicable>

**Explanation if not disclosing**

<Not Applicable>

**F0.5**

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(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

**F0.6**

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**(F0.6) Select the countries/areas in which you operate.**

- Argentina
- Australia
- Austria
- Bangladesh
- Belgium
- Brazil
- Cambodia
- Canada
- Chile
- China
- Colombia
- Croatia
- Czechia
- Denmark
- Dominican Republic
- El Salvador
- Finland
- France
- Germany
- Honduras
- Hong Kong SAR, China
- India
- Indonesia
- Ireland
- Israel
- Italy
- Japan
- Luxembourg
- Malaysia
- Mauritius
- Mexico
- Netherlands
- New Zealand
- Norway
- Pakistan
- Philippines
- Poland
- Republic of Korea
- Romania
- Singapore
- South Africa
- Spain
- Sri Lanka
- Sweden
- Switzerland
- Taiwan, China
- Thailand
- Turkey
- Ukraine
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Viet Nam

**F0.7**

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**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

**F0.8**

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**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	AVY

**F1. Current state**

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**F1.1**

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**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Timber products**

**Activity**

Using as input into product manufacturing  
Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Paper

**Source**

Contracted suppliers (manufacturers)

**Country/Area of origin**

Argentina  
Australia  
Austria  
Belgium  
Bosnia & Herzegovina  
Brazil  
Canada  
Chile  
China  
Croatia  
Czechia  
Denmark  
Estonia  
Eswatini  
Finland  
France  
Germany  
Hungary  
Indonesia  
Italy  
Japan  
Latvia  
Lithuania  
Luxembourg  
Mozambique  
Netherlands  
New Zealand  
Norway  
Poland  
Portugal  
Republic of Korea  
Russian Federation  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Thailand  
Ukraine  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Uruguay  
Viet Nam

**% of procurement spend**

41-50%

**Comment**

This represents Avery Dennison's direct paper spend. The percentage is based on all direct commodities for the total Avery Dennison enterprise.

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**F1.2**

**(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	61-70%	Our products include pressure-sensitive materials for labels and graphic applications, tapes and other bonding solutions for industrial, medical and retail applications, tags and labels. This is reflected in the high percentage of timber-based products related to revenue. This timber-based material is sourced from paper manufacturers, as Avery Dennison does not manage any forestry or agricultural operations.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.5**

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

967522

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

80.3

**Please explain**

Via an independent assessment of our supply base carried out by Rainforest Alliance, it has been confirmed that 80.3% of our paper-based fiber is sourced from "low risk of deforestation" countries or from "high risk of deforestation" countries but sourced with FSC or SFI certification (according to the CDP and Preferred by Nature Forest Risk Countries lists).

Of the remaining 19.7% of our paper-based fiber, 15.5% has been confirmed as being from PEFC- certified sources. This is deemed to be of medium risk of deforestation and risk mitigation plans will be implemented to reduce this by the end of 2024.

For the 4.2% sourced from high risk countries without recognized certification, risk assessments and risk mitigation actions are being implemented to achieve deforestation free status in our paper supply base by 2030.

**F1.5b**

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**

**Timber products – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

100

**% of DCF production/consumption volume physically certified**

0

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Timber products – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

21.32

**% of non-DCF production/consumption volume traceable only as far as country level**

63.45

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

15.23

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

100

**F1.5c**

**(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Timber products

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction ((Include but not limited to: Mato Grosso Do Sul, Rio de Janeiro, Minas Gerais, Bahia, Espírito Santo, Minas Gerais, Rio Grande do Sul, Rodovia, Distrito de Perpétuo Socorro).)

**% of total production/consumption volume**

20.1

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to

determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 20.1% of paper products were sourced from various regions within Brazil.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (jurisdiction (includes but not limited to): Sumatera, Riau & Jambi)

**% of total production/consumption volume**

3.5

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 3.5% of paper products were sourced from various regions within Indonesia.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Thailand

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

2.7

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 2.7% of paper products were sourced from various regions within Thailand.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Australia

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

2.3

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 2.3% of paper products were sourced from various regions within Australia.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

70.86

**Please explain**

Includes 38 other countries (all low risk).

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 82% of volume sourced. The results of the survey indicated that 70.86% of paper products were sourced from various other countries.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Argentina

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

0.01

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 0.00005% of paper products were sourced from various regions within Argentina.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

True Argentina % of total production/consumption volume is 0.00005. Value was rounded to 0.01 due to questionnaire restrictions.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Mozambique

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

0.01

**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 0.004% of paper products were sourced from various regions within Mozambique.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

True Mozambique % of total production/consumption volume is 0.004. Value was rounded to 0.01 due to questionnaire restrictions.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Viet Nam

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

0.54



**Please explain**

We have selected Rainforest Alliance as our partner in evaluating the supply chain of forest products we purchase. For our 2022 data, we provided Rainforest Alliance with information on our procurement practices, including spend by supplier and forest products purchased. Rainforest Alliance then conducted a survey of our suppliers to determine the origin of forest products at the country level. If a supplier has indicated that pulp fiber is being sourced from a country of high risk (taking into consideration the Preferred by Nature Forest Risk Countries), then the supplier is requested to provide further information regarding the region of origin within the high-risk country. For our 2022 data, 50% of our suppliers responded to the Rainforest Alliance survey, accounting for 79% of volume sourced. The results of the survey indicated that 0.54% of paper products were sourced from various regions within Vietnam.

Of the total 2022 Avery Dennison paper spend, 94.4% was sourced under FSC, PEFC or SFI certification. Rainforest Alliance has assessed this claim with a 90% validation level (up from 79% in 2021). These certifications ensure the minimum commitment regarding biodiversity, no conversion of natural areas and identification of high conservation value forests. Certified systems provide traceability of the pulp fibers used in the products, back to origin.

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F1.6

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

F1.7

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Since a specified cutoff date, please specify year (2022)

**Known or estimated deforestation/ conversion footprint (hectares)**

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

4.2% of volume deemed high risk, risk mitigation actions being applied.

Supplier survey through RFA, supplier audits and preparation for the new EU DR regulation. (Requirement for Geolocation and time of harvest to be recorded and shared before import/export from EU.)

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F2. Procedures

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F2.1

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

F2.1a

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**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Timber products**

**Value chain stage**

- Direct operations
- Supply chain

**Coverage**

- Full

**Risk assessment procedure**

Assessed as part of an established enterprise risk management framework

**Frequency of assessment**

More than once a year

**How far into the future are risks considered?**

3 to 6 years

**Tools and methods used**

- Internal company methods
- External consultants
- Other, please specify (Avery Dennison partners with the Rainforest Alliance to support the identification of risk throughout the supply chain of our wood based products.)

**Issues considered**

- Availability of forest risk commodities
- Quality of forests risk commodities
- Impact of activity on the status of ecosystems and habitats
- Regulation
- Climate change
- Tariffs or price increases
- Brand damage related to forests risk commodities
- Corruption
- Social impacts

**Stakeholders considered**

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers

**Please explain**

Avery Dennison assesses forest-related and environmental risks to our operations, supply chain and products, including deforestation, through our Enterprise Risk Management (ERM) process. Our ERM process is designed to capture risks across governance, business strategy, compliance, operations, corporate reputation, environmental sustainability and social responsibility. Supplier risks and opportunities are identified and prioritized through our annual strategic planning process and our materiality process, overseen by our Company Leadership Team (CLT). Risks exceeding materiality thresholds are evaluated and plans developed to mitigate identified risks. We conduct materiality assessments, in coordination with external consultants, to identify and prioritize sustainability-related risks and opportunities by engaging internal and external stakeholders. Our CLT reviews and validates the results of the assessment. We partner with Rainforest Alliance (RFA), which offers consulting services to support the sustainability of corporate supply chains. Working with a respected and trusted third-party, like RFA, to identify forest-related supply chain risks increases trust and improves accuracy and outcomes. We selected RFA as our lead, independent consultant due to its expertise identifying and managing global forestry risks, knowledge of our business and processes and industry reputation. RFA supported the development of our Responsible Paper Procurement Policy, which guides our decision-making process across our forest product supply chain. RFA is the lead advisor in the annual audit protocols and risk management processes evaluating our responsible paper sourcing performance. During the annual assessment, 1) a paper certification audit is performed, 2) for paper purchased and identified as non-certified or with an unknown source of origin, corrective actions are developed, 3) Country and region (within countries of high risk of deforestation according to the Preferred By Nature Country list) of origin assessment is completed with suppliers and potential areas of high concern identified and 4) risk management processes are reviewed.

Key Materials Group suppliers, determined by spend, complete an annual sustainability audit and assessment by EcoVadis to evaluate social and environmental risks, identify areas of improvement and highlight areas of concern.

**F2.2**

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F2.2a**

**(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Scope of value chain mapping**

Own operations

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Through external audit (Rainforest Alliance), Avery Dennison maps the origin of pulp per country and for high risk countries the region of origin is also requested.

Via the EcoVadis platform, we map the CSR aspects of the suppliers for the top 80% of our Materials Group direct spend.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

**F2.3**

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1 Yes, we use a classification system	Using Preferred by Nature Risk Country listing, any pulp purchased from low/medium risk countries are deemed low risk of deforestation if purchased with FSC MC/FSC CW/PEFC or SFI (for North America only) certification. If pulp is sourced from a high risk country but with FSC (any type) or SFI this is also deemed low risk of deforestation. Any pulp that is sourced from low risk countries but with PEFC or high risk countries without certification is deemed to be of medium or high risk of deforestation and risk mitigation plans are defined to reduce those risks.	Risk classification is used to identify high areas of risk of deforestation and to clearly draw up mitigation plans to remove or reduce these risks. Mitigation actions include, but are not limited to: 1) Requesting stronger certification from suppliers 2) Alternative supplier sourcing 3) Written declarations from suppliers of confirmation and adherence of our supplier standards 4) Auditing of supplier sourcing practices	

**F3. Risks and opportunities**

**F3.1**

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.1a**

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

Avery Dennison uses our definition of substantive change as a proxy for a definition of substantive financial or strategic impact. Therefore, we define substantive financial or strategic impact as a change that impacts revenue, stakeholders and costs related to the availability of purchased goods. Impacts are classified as risks and categorized as low, medium, or high based on likelihood and using annual net income thresholds as a quantifiable indicator. We use the following annual net income thresholds: low risk is under \$10 million, medium risk is \$10 million to \$40 million, and high risk is above \$40 million. Through our risk identification process, Avery Dennison evaluates forests risks as standalone risks and also as part of broader risks, such as economic instability. We consider the risks associated with forests and sustainability as having a substantive impact.

**F3.1b**

**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Forest risk commodity**

Timber products

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Negative media coverage

**Primary potential impact**

Brand damage

**Company-specific description**

Avery Dennison is an industry leader in self-adhesive labeling solutions. A large part of these solutions are paper-based. In 2022, we procured 967,522 metric tonnes of paper from a number of geographies around the world. We rely upon our suppliers of paper to ensure that companies throughout our supply chain are following the Avery Dennison Responsible Procurement Policy. There is potential risk to our business and brand if the market and customers perceive us to be procuring materials from irresponsible sources. Consumers and our markets also recognize the positive impact forestry has as a natural climate solution. The impact for our business could be lost revenues from customers, and negative media coverage. Avery Dennison could be targeted directly as a brand as we supply many other visible brand names across many supply chains.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

10000000

**Potential financial impact figure - maximum (currency)**

40000000

**Explanation of financial impact**

The financial impact number is based on our annual ERM process, using the low and high risk figures as minimum and maximum financial impact figures. The number used has been based on our classification of medium risk. Avery Dennison categorizes risks as low, medium, or high based on net income impact and likelihood. Overall, we measure inherent risk using the following annual net income thresholds: low risk is under \$10 million, medium risk is \$10 million to \$40 million, and high risk is above \$40 million.

**Primary response to risk**

Avoidance of sourcing from high-deforestation risk jurisdictions

**Description of response**

To mitigate risk, Avery Dennison has adopted our Responsible Paper Procurement Policy with clear criteria around preferred certification. Annually, Rainforest Alliance audits our annual purchases of paper to validate compliance with our Responsible Paper Procurement Policy, measures progress towards our goals and identifies potential new risks. The outcome of this audit is an annual adjustment of our risk mitigation plan relating to wood sourced raw materials. Actions taken include discussions with suppliers to further increase our sourcing of certified paper products, with a continuous focus to ensure suppliers either obtain recognized CoC certification or can show compliance to "broken chain" standards, and suppliers signing confirmation letters indicating compliance of sourcing materials matching at least FSC Controlled Wood standards. During 2022, we maintained our levels of certified paper purchased at 94.4% of total volume sourced. We work with NGOs to ensure that sourcing policies are aligned with the most current industry best practices.

**Cost of response**

240625

**Explanation of cost of response**

The costs are based upon Avery Dennison's annual FSC site certifications (\$150,000), FSC membership fee (\$10,000), EcoVadis audit costs (\$60,000), Rainforest Alliance annual audit and membership (\$20,625).

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F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes, we have identified opportunities but are unable to realize them
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.2b**

**(F3.2b) Why does your organization not consider itself to have forests-related opportunities?**

**Timber products**

**Primary reason**

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

**Please explain**

Avery Dennison uses our definition of substantive change as a proxy for a definition of substantive financial or strategic impact. Therefore, we define substantive financial or strategic impact as a change that impacts revenue, stakeholders and costs related to the availability of purchased goods.

Impacts are classified as opportunities and categorized as low, medium, or high based on likelihood and using annual net income thresholds as a quantifiable indicator. We use the following annual net income thresholds: low impact opportunity is under \$10 million, medium impact opportunity is \$10 million to \$40 million, and high impact opportunity is above \$40 million.

Through our product and sourcing roadmaps, we conduct an evaluation of potential opportunities. Opportunities are identified in our 2025 and 2030 sustainability goals, which include continuing to increase the amount of certified paper we source. (We have additional tools that would extend beyond this period, which are referenced in section 6.)

Since our Responsible Paper Procurement Policy was introduced in 2013, based on the progress made in sourcing certified materials and annual funding allocated to specific tools (FSC certification, Rainforest Alliance, EcoVadis) to realize this opportunity, the opportunity impact of increasing the amount of certified paper we are sourcing is low. We have deemed the financial impact of this opportunity to be less than \$10 million, thereby making this opportunity not substantive. In 2022, 94.4% of the paper we purchased was from certified sources.

This evaluation is conducted annually and will be repeated in 2023.

**F4. Governance**

**F4.1**

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

**F4.1a**

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	<p>Board oversight of environmental sustainability is mainly conducted by the Governance Committee, which receives a report from management on sustainability topics at least once a year. The Committee reviews and provides oversight for key environmental sustainability initiatives, policies and programs, including forest-related issues and other environmental matters. This includes reviewing with management the impact of business operations with respect to matters of environmental sustainability.</p> <p>In recent years, we reinvigorated our innovation program, including assessing and addressing risks related to investment in disruptive technologies. With Board-level support, we continue to invest in initiatives focused on recyclability, enabling circularity, waste reduction and elimination.</p>

**F4.1b**

**(F4.1b) Provide further details on the board’s oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	The Governance Committee of our Board of Directors discusses environmental sustainability topics, which may include forest-related issues, at committee meetings. The Committee also receives a report from management at least twice a year on sustainability performance. Our full Board engages with business leaders on their sustainability initiatives during its regular review of business strategies. The Board is responsible for overseeing our enterprise risk management (ERM) program. We have incorporated ERM into our business-unit level processes for developing and executing strategies, assessing risks, and identifying and implementing appropriate mitigating actions. Teams semi-annually prepare a risk profile of a heat map and summary of key risks and mitigating strategies, which are used to prepare a company risk profile based on identified business-specific risks. Sustainability trends and environmental regulation are a standalone risk. We consider additional climate topics as amplifiers of existing risks. In the first five years working towards our 2025 sustainability goals, we made meaningful progress. We believed it was important to establish another set of ambitious targets. Our Sustainability Council and Company Leadership team, including our Chairman/CEO, developed 2030 goals that are aligned with our business strategy and stakeholder priorities. We established our goal to, by 2030, source 100% of paper fiber from certified sources focused on a deforestation-free future.

**F4.1d**

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

**Row 1**

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

Our Chairman/CEO is engaged in our forests-related initiatives and is considered competent on these issues. We are currently developing criteria by which we can more formally evaluate competency. Further, we have a new Board member as of February 2023 who serves in a sustainability-focused executive role and brings that sustainability experience and industry network to our Board. We consistently consider other qualifications by which to measure board competency on forests-related issues.

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

**F4.2**

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Setting forests-related corporate targets Monitoring progress against forests-related corporate targets Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	As Chairman of the Board, our CEO provides strategic guidance and direction to ensure we continue to make meaningful sustainability progress. The CEO approves major sustainability actions, given their material impact on the company. Our CEO provides direction to our president and COO, who leads sustainability for the company and is accountable for continued progress toward achieving our sustainability goals.  Our Sustainability Council (SC) is a cross-divisional group of sustainability leaders that drive accountability and accelerate our progress. The group which met regularly during 2022, provides regular updates to the executive leadership team. Through this process, we complete a quarterly sustainability progress scorecard for the Board's review. At least annually, SC members present sustainability trends and our sustainability strategic plan to our Company Leadership Team.

**F4.3**

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

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

**F4.3a**

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Executive Officer (CEO)	Other, please specify (Innovation/Progress Toward Sustainability Goals)	In 2015, we established our 2025 sustainability goals to improve the sustainability of our products and processes and create value for all our stakeholders. In 2020, we developed 2030 goals that exemplify our strategy to lead in an environmentally responsible manner and leverage the capabilities of our company when we collaborate with our suppliers and customers. We developed our goals following the completion of our Materiality Assessment conducted in 2020. Our goals align with those topics that are determined to be the most important to our business and our stakeholders including GHG Emissions and Energy Use, Climate Resilience, Water Use, Materials Management, and Advancing the Circular Economy.  The performance indicator of this incentive is specifically linked to making progress toward our forest targets.	Our CEO's compensation is determined by performance against annual strategic objectives. The Talent and Compensation Committee of our Board of Directors evaluates our CEO's performance against the CEO's predetermined strategic objectives. One of these strategic objectives is Innovation/Progress Toward Sustainability Goals.  For 2022, all NEOs had an ESG objective as part of their annual goals, with their compensation assessed in evaluating their performance.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	We currently are focused on driving performance and have focused our incentives around monetary rewards for meeting our targets. This is consistent with the philosophy of the Talent and Compensation Committee, which has established a pay-for-performance approach for our executive officers.

**F4.4**

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)

**F4.5**

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

**F4.5a**

**(F4.5a) Select the options to describe the scope and content of your policy.**

**Row 1**

**Scope**

Company-wide

**Commodity coverage**

Timber products

**Content**

- Commitment to eliminate conversion of natural ecosystems
- Commitment to no land clearance by burning or clearcutting
- Commitment to eliminate deforestation
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets
- Description of forests-related performance standards for direct operations

**Document attachment**

**Please explain**

We first established our Responsible Paper Procurement Policy in 2013. This policy outlines our commitment to operating our business in a responsible manner and making it easier for customers, supply chain partners, and employees to make a difference for the environment. As a significant stakeholder in the supply chain of pulp and paper products, we recognize our important role and opportunity in promoting and providing sustainable paper products. Our Responsible Paper Procurement Policy reflects our values and commitment to the sustainability of the paper products we source, manufacture, and use. This policy was updated in 2020 to reflect the need to address biodiversity and include clear metrics to which we hold ourselves accountable and publish progress against it also transitioned from a sourcing to procurement policy. The policy will be evaluated annually going forward to ensure it continues to reflect best practices. The policy is used to guide our procurement teams in the key requirements when identifying suppliers of paper products. It also serves as a guide to our suppliers on our expectations for responsibility and certifications. Our Responsible Paper Policy recognizes our role in influencing our sourcing partners to not contribute to deforestation. Through Rainforest Alliance audits we strive to source 100% certified paper from certified sources, focused on a deforestation-free future. Our Responsible Paper Procurement Policy is designed to increase the use of wood/fiber that has been certified by a credible third-party forest certification scheme (for virgin and recycled paper) with preference for Forest Stewardship Council (FSC)-certified material where market conditions and good business practices allow. Where conditions do not support sourcing of FSC-certified products, other industry-recognized forest certification standards are accepted (PEFC and SFI).

**F4.6**

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Forest risk commodity	Public commitments made
Timber products	Yes

**F4.6a**

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

No, we do not endorse any initiatives

**F4.6b**



**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**

Timber products

**Criteria**

No conversion of natural ecosystems  
Zero net deforestation  
Avoidance of negative impacts on threatened and protected species and habitats  
No conversion of High Conservation Value areas  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
No sourcing of forest risk commodities from unknown/controversial sources  
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2014

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Compliance with initiative, please specify (Aligning with RainForest Alliance deforestation cut off date)

**Commitment target date**

2026-2030

**Please explain**

Our publicly announced 2030 sustainability-goals target 100% of paper fiber in sourced paper products to come from certified sources that are committed to a deforestation-free future by 2030. We updated our responsible paper procurement policy in 2021 to include our commitment to a deforestation-free future. Annually, we participate in a paper certification audit process with Rainforest Alliance. During this process, all paper purchased is validated and tracked to the relevant geography. For example, a large volume supplier to our Solutions Group was unable to gain FSC certification, which meant our target of 70% FSC material could not be achieved. The Solutions Group leadership team chose to move the business to an emerging supplier that could provide the required certifications. This process took months and involved many stakeholders.

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**F5. Business strategy**

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**F5.1**

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**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	<p>In 2010, Avery Dennison identified that sustainability was going to be a key requirement in securing long-term business growth, and we had a role to play as a significant user of forest-related products. We went through a process of identifying the areas of focus and impact, and in 2015 announced our 2025 sustainability goals. These goals were built around a 10-year plan, with regular updates to stakeholders to demonstrate progress.</p> <p>As a global producer of self-adhesive solutions of which paper plays a fundamental role, securing sustainable long-term supply of material was imperative. Integral to our 2025 sustainability goals were specific targets related to forestry, namely 100% of paper from certified sources, of which 70% will be FSC-certified.</p> <p>It is a key to our long-term business objectives to ensure that the correct materials are available to consumers, and these products reflect the demand from consumers. Through historic consumer insights, we recognize that certified forestry materials are critical.</p> <p>A demonstration on how forest issues are related and used in long-term business objectives would be through our materiality assessment process. Through this process, key customers, investors and NGOs are engaged, and asked a series of questions that identify areas of interest and importance. With this information, we assess current objectives and adjust our long-term plans to address key stakeholder interests.</p> <p>For example, our materiality assessment process highlighted the strategic importance of advancing the circular economy to our business and stakeholders. We developed strategic objectives and programs around innovation, enabling recyclability of our products, and increasing use of recycled materials in our products all in an effort to advance development of the circular economy.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	<p>We regularly review our strategy in line with long-term objectives, and the changing space of environmental and climate-based challenges alongside customer demands. Strategies are then developed to achieve long-term objectives, of which forests play a role given their importance in producing paper-based materials. An example of this process would be how the materiality assessment process plays a key role in identifying long-term objectives, and their priority for stakeholders.</p> <p>Our materiality assessment process illustrated the increased focus on advancing the circular economy, so this was identified as a long-term objective. Once the objective was identified, our businesses began to develop and integrate strategies to deliver this objective.</p> <p>These strategies are formed across a number of key business functions, including material sourcing, procurement, innovation and operations. The strategy development was integrated across our functions, from new sources of material with which to innovate, to certifying the new locations producing the product. In 2021, our Company Leadership Team committed to the introduction of Sustainable ADvantage. A program that creates labeling solutions with the aim to:</p> <ol style="list-style-type: none"> <li>1) enable recycling, reuse or composting of materials end of life,</li> <li>2) design labels with recycled or renewable content</li> <li>3) reduces material use as a primary material</li> <li>4) source responsibly with a focus on a deforestation free future</li> </ol> <p>Further extension of our 2030 goals is to have 100% of our standard bulk products contain recycled content by 2030. This will have a significant financial impact due to the premium costs of recycled materials used in paper label raw materials. This financial cost is being assessed.</p>
Financial planning	Yes, forests-related issues are integrated	11-15	<p>Consideration for forestry is inherent to our innovation and commercial efforts. Avery Dennison is a \$9.0 billion global company, of which forest-related products are our largest commodity spend, representing 41-50% of all direct material purchases. Small changes in material pricing, including those driven by natural disasters, supplier challenges, or legislative changes can have a significant impact on our price competitiveness and overall market share, thereby impacting financial performance. Our strategy for sourcing paper-based materials involves formal risk assessments of suppliers and the countries in which they are based. The risk assessments include due diligence and regulatory and compliance checks, with potential trade or tariff implications also considered in this process.</p> <p>Materials Group supplier specific measurements are annually conducted through EcoVadis audits, which score suppliers' performance against environmental and social standards. Alongside this, a key criterion is the availability of certified materials in accordance with the Avery Dennison Responsible Paper Procurement Policy.</p> <p>We evaluate these factors alongside the total cost of ownership of any products used. If suppliers do not perform well in a specific area, or are unable to improve, we may take other corrective actions or orders may be re-allocated.</p> <p>An example of financial planning integration is when we launched our 2025 sustainability goals. It was identified at that point that the majority of forest materials were sourced from the USA, and the USA had very low volumes of FSC material available. To move the sourcing to new geographies would have created significant cost, and damaged long-term supply relationships. Instead, Avery Dennison worked closely with key suppliers to enable FSC certification, which had a financial impact to both suppliers and Avery Dennison. Avery Dennison continues to actively work to convert customers to more sustainable and certified paper products. Furthermore, we are actively working to convert acquired businesses over to more sustainable and transparent supply chains for forestry products.</p>

**F6. Implementation**

**F6.1**

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

Yes

**F6.1a**

**(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Timber products

**Year target was set**

2015

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

FSC (any type)

PEFC (any type)

SFI Fiber Sourcing certification

**Base year**

2014

**Base year figure**

69.1

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

94.4

**% of target achieved relative to base year [auto-calculated]**

81.8770226537217

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Other environmental commitments

**Please explain**

As part of our 2025 sustainability goals, we have committed to sourcing 100% of paper purchased from certified sources, of which 70% will be FSC-certified.

Avery Dennison's 2025 target is to have 100% of our timber-based products from certified sources. The target was established in 2014 and announced in 2015. We partner with Rainforest Alliance (RFA), an international non-governmental organization that offers consulting services to support the sustainability of corporate supply chains. Working with a respected and trusted third party, such as RFA, to identify forest-related supply chain risks increases trust in our reporting and improves accuracy and outcomes. We selected RFA as our lead, independent partner due to RFA's expertise in identifying and managing global forestry risks, knowledge of our business and processes, and industry reputation. RFA also supported the development of our Responsible Paper Procurement Policy, which guides our decision-making process across our forest product supply chain. RFA is the lead advisor for our annual audit protocols and risk management processes evaluating our responsible paper sourcing performance.

During the annual assessment:

- 1) a paper certification audit is performed, through which the certification of all paper products, on the basis of volume of paper we purchase, is validated
- 2) paper purchased that is identified as non-certified or with an unknown source of origin is identified and corrective actions are developed
- 3) risk management processes are reviewed

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**Target reference number**

Target 2

**Forest risk commodity**

Timber products

**Year target was set**

2020

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

FSC (any type)

PEFC (any type)

SFI Fiber Sourcing certification

**Base year**

2020

**Base year figure**

69.1

**Target year**

2030

**Target year figure**

100

**Reporting year figure**

94.4

**% of target achieved relative to base year [auto-calculated]**

81.8770226537217

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

Our 2030 target is to source 100% of our paper fiber from certified sources focused on a deforestation-free future. The target was developed in 2020, with a target completion date of 2030.

We partner with Rainforest Alliance (RFA), an international non-governmental organization that offers consulting services to support the sustainability of corporate supply chains. We selected RFA as our lead, independent consultant due to RFA's expertise in identifying and managing global forestry risks, knowledge of our business and processes, and industry reputation. RFA also supported the development of our Responsible Paper Procurement Policy, which guides our decision-making process across our forest product supply chain.

For 2022 purchases, RFA, using the Preferred by Nature Risk Country listing, assessed the amount of pulp purchased from low/medium risk countries.

This is deemed to be a low risk of deforestation, if purchased with FSC (any type)/PEFC or SFI certification.

If pulp is sourced from a high risk country but with FSC (any type) or SFI certification, this is also deemed low risk of deforestation.

Any pulp that is sourced from high risk countries but with PEFC only or no certification is deemed to be of medium or high risk of deforestation and risk mitigation plans are defined to reduce those risks.

In 2022, 94.4% of paper fiber was from certified sources of which 80.3% was validated as being from low risk, 15.5% validated as being medium risk and 4.2% potentially coming from high risk sources, with regards to deforestation.

For the 15.5% medium risk, mid-term mitigation plans are being defined and implemented to reduce this risk further by end of 2024.

For the 4.2% sourced from high risk countries, with no certification which is considered "high risk of deforestation" and a priority for Avery Dennison risk mitigation plans are now being defined to reduce this level further.

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**Target reference number**

Target 3

**Forest risk commodity**

Timber products

**Year target was set**

2020

**Target coverage**

Business division

**Target category**

Engagement with direct suppliers

**Metric**

% of direct suppliers engaged

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Base year**

2020

**Base year figure**

66

**Target year**

2030

**Target year figure**

80

**Reporting year figure**

86

**% of target achieved relative to base year [auto-calculated]**

142.857142857143

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Other environmental commitments

**Please explain**

As part of our 2030 sustainability goals, Avery Dennison's Materials Group division has committed to engaging with direct suppliers covering 80% of the Materials Group's spend on their environmental and social policies, including forestry, water, human rights, fair business, etc. Currently, suppliers representing 86% of our direct spend are on the EcoVadis platform. Of these suppliers, 89% score bronze or above. We use the results of this assessment to further focus our active engagement with suppliers who need to mature their environmental policies.

We have established this target to ensure we are working to use our unique position in the paper products value chain to advance sustainability. We partner with EcoVadis to engage our largest suppliers, by direct spend within our Materials Group, and evaluate the social and environmental risks and performance of our supply chain, while identifying key areas of improvement and highlighting areas of concern.

## F6.2

### (F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct suppliers only	In 2022, Avery Dennison sourced 94.4% of products via 3rd-party certification schemes, giving traceability to our sites and back through the chain of custody down to the country of origin for the fiber used. We have established a goal to achieve 100% certified source products by 2025 and we annually review progress towards this goal through our partnership with Rainforest Alliance (RFA). Annually, RFA conducts an audit of our paper sourcing certifications. RFA was selected as our lead consultant due to their independence and expertise in identifying and managing global forestry risks, adding trust and credibility to our reporting. RFA is the lead advisor for the annual audit protocols and risk management processes relating to responsible paper sourcing. During the annual assessment; 1) a paper certification audit is performed with RFA, where all paper purchased is validated; 2) non-certified and unknown sources of paper origin are determined and corrective actions identified; and 3) risk management processes are reviewed.	Other, please specify (Recycled content products and Indirect packaging items)	The sources of recycled fibers are (currently) unable to be traced sufficiently. Excluded from the assessment are our indirect packaging suppliers. This is the indirect material that is used as outer packaging in the distribution of our products. This supply chain is very complex with numerous small volume suppliers, and insignificant compared to the volume required to manufacture our products.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## F6.2a

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Country	Argentina Australia Austria Belgium Bosnia & Herzegovina Brazil Canada Chile China Croatia Czechia Denmark Estonia Eswatini Finland France Germany Hungary Indonesia Italy Japan Latvia Lithuania Luxembourg Mozambique Netherlands New Zealand Norway Poland Portugal Republic of Korea Russian Federation Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Ukraine United Kingdom of Great Britain and Northern Ireland United States of America Uruguay Viet Nam	95.8

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	94.4
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.3a**

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC Chain of Custody

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

57.7

**Form of commodity**

Paper

**Volume of production/ consumption certified**

540862

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

This volume is only for FSC Mixed Credit. Actions taken in the reporting year to improve or maintain the third-party certification system.

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC Controlled Wood

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

33

**Form of commodity**

Paper

**Volume of production/ consumption certified**

309428

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

This volume is only for FSC CW.

---

**Forest risk commodity**

Timber products

**Third-party certification scheme**

PEFC (any type)

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

5.2

**Form of commodity**

Paper

**Volume of production/ consumption certified**

48432

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

This volume is only for PEFC.

---

**Forest risk commodity**

Timber products

**Third-party certification scheme**

SFI Forest Management standard

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

0.2

**Form of commodity**

Paper

**Volume of production/ consumption certified**

1670

**Metric for volume**

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Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

This volume is only for SFI.

---

**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC Recycled

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

0.2

**Form of commodity**

Paper

**Volume of production/ consumption certified**

1488

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

This volume is only for recycled content

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## F6.4

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**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	<b>A system to control, monitor or verify compliance</b>	<b>Comment</b>
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

## F6.4a

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**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Timber products

**Operational coverage**

Direct operations  
Supply chain

**Description of control systems**

We have implemented a process for supply chain risk identification with Rainforest Alliance (RFA). RFA was selected as our lead consultant due to their independence, expertise in managing global forestry risks, acting as our advisor for our annual audit protocols and risk management processes relating to responsible paper sourcing. The FSC (any type) or SFI certification systems drives no conversion and/or deforestation for all countries. For PEFC certification for products sourced from countries of low risk, this is also taken as a proxy for no conversion and/or deforestation.

During the assessment

- A paper certification audit is performed with RFA
- Paper sourced under FSC Mix Credit, FSC CW, SFI and PEFC systems is validated
- Non-certified/unknown sources, PEFC certified products sourced from countries of high risk are determined and risk mitigation plans identified to drive suppliers to source from low risk areas
- Risk management processes are reviewed

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

71-80%

**% of total suppliers in compliance**

71-80%

**Response to supplier non-compliance**

Retain & engage  
Suspend & engage

**% of non-compliant suppliers engaged**

100%

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

**Please explain**

Avery Dennison's 2030 target is 100% of our paper fiber sourced from certified sources focused on a deforestation-free future. The target was developed in 2020.

For 2022 purchases, using the Preferred by Nature Risk Country listing, the amount of pulp purchased from low/medium/high risk countries was assessed. This is deemed to be a low risk of deforestation, if purchased with FSC/PEFC or SFI certification.

If pulp is sourced from a high risk country with FSC or SFI certification, this is also deemed low risk of deforestation.

Any pulp that is sourced from high risk countries with PEFC only or no certification, is deemed to be of medium or high risk of deforestation. Risk mitigation plans are defined to reduce these.

The country of origin survey reported 63% of our paper spend was sourced from "low-risk" countries.

Of the 37% sourced from high risk countries, 77% was with FSC or SFI being a proxy for "low risk of deforestation." Equating to 80.3% of our total pulp sourced from "low risk of deforestation."

A further 18% sourced from high risk countries was with PEFC being a proxy for "medium risk of deforestation." Longer term mitigation plans are being defined and implemented to reduce this by the end of 2024.

The remaining 5% sourced from high risk countries was with no certification, which is considered "high risk of deforestation." For this 5%, considered a priority, Avery Dennison is defining risk mitigation plans to reduce this level further.

**F6.6**

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6a**

**(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Timber products**

**Procedure to ensure legal compliance**

As a global supplier of paper, Avery Dennison recognizes the importance of responsible forestry. We require all suppliers to follow all relevant laws and regulations as part of our Supplier Standards. As a global company with manufacturing locations located around the world, we source forest products from suppliers in many countries and regions. For example, EU REACH regulations have outlawed certain chemicals and additives that pulp and paper producers use. We are working with suppliers to phase out the use of chemicals, globally, when they are regulated in one region. This process will ensure we comply with applicable laws and regulations.

We approach legal compliance with a number of engagements.

- 1) External experts are employed to identify pending changes in forestry regulations
- 2) Our Global Trade Management Team. This trade compliance-focused team carries out due diligence planning for timber regulations, and develops standard operating procedures that our businesses must follow related to timber
- 3) The Global Trade Management Team validates and audits compliance with these policies
- 4) Annual validation of which countries paper fiber is being purchased from
- 5) Working with suppliers to provide certifications where necessary
- 6) Focusing on certified materials that are validated by an external audit each year

Currently supplier information is gathered through direct supplier engagement. We are currently looking to integrate this process into our current product information management tool. This is a tool that acts as a portal to gather supplier information and is integrated into our enterprise resource planning system.

**Country/Area of origin**

- Argentina
- Australia
- Brazil
- Indonesia
- Mozambique
- Thailand
- Viet Nam

**Law and/or mandatory standard(s)**

- General assessment of legal compliance
- Forest Law - Argentina
- Brazilian Forest Code
- EU Timber Regulation
- USA Lacey Act
- Other, please specify (EU Deforestation Regulation)

**Comment**

Avery Dennison has implemented a process regarding supply chain risk identification with Rainforest Alliance (RFA). RFA was selected as our lead consultant due to their independence and expertise in identifying and managing global forestry risks. RFA has also supported the development of our Responsible Paper Procurement Policy (to guide the business decisions made across our supply chain), and is the lead advisor for the annual audit protocols and risk management processes relating to responsible paper sourcing.

During the annual assessment;

- 1) a paper certification audit is performed with RFA, where all paper purchased is validated
- 2) non-certified and unknown sources of paper origin are determined and corrective actions are identified.
- 3) Risk management processes are reviewed

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	Avery Dennison works directly with suppliers of paper materials and shares the requirements of material and deforestation in our Responsible Paper Procurement Policy. We expect our suppliers to adhere to this policy and work directly with its suppliers to ensure compliance. As we sit at least 2 supply chain steps removed from smallholders or forest owners, we would not directly engage these stakeholders. The strategy has been to make clear the requirements in our sourcing policies and hold the direct suppliers accountable for their actions.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.8**

**(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

**Forest risk commodity**

Timber products

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Supply chain mapping

Capacity building

**Details of engagement**

Supplier questionnaires on environmental and social indicators

Supplier audits

Offering on-site training and technical assistance

Disseminating technical materials

Organizing capacity building events

Investing in pilot projects

**Description of engagement**

As a global provider of everyday labeling solutions, securing a sustainable supply of wood-based products is critical. We continually assess the availability of responsibly sourced paper products through sourcing roadmaps. The sourcing roadmaps include areas of continuous training of our internal stakeholders, suppliers and customers, which play a strong part in raising awareness of the importance of paper certification. Specific to our direct suppliers, we have implemented a process regarding supply chain risk identification with Rainforest Alliance (RFA). RFA was selected as our lead consultant due to their independence and expertise in identifying and managing global forestry risks. RFA has also supported the development of our Responsible Paper Procurement Policy. This policy is shared with suppliers for which we require compliance. RFA is also the lead advisor for our annual audit protocols and risk management processes relating to responsible paper sourcing. During the annual assessment, 1) a paper certification audit is performed with RFA, where all paper purchased is validated, 2) non-certified and unknown sources of paper origin are determined and corrective actions identified, and 3) risk management processes are reviewed. Additionally, all key paper suppliers within our Materials Group complete an annual third-party CSR audit and evaluation by EcoVadis, to support evaluation of corporate, social and environmental risks, identify key opportunities of improvement and highlight areas of concern. Further, we require our suppliers to comply with our supplier standards, including compliance with applicable laws, regulations and industry standards. In situations where there is a conflict between these laws and standards, suppliers are required to meet the higher standard. We regularly perform supplier audits to ensure compliance. During 2022, a total of 66 suppliers were audited across the direct material supply base for all raw materials. In addition, our annual RFA certification process covers all paper suppliers.

**% of suppliers engaged by procurement spend covered by engagement**

80

**Explain the impact of your engagement on the selected action**

The impact that we are seeing is an overall increase in the amount of materials being certification sourced, resulting in a lower amount of potentially high risk of deforestation based materials.

From a supplier standpoint, the focus on increasing and implementing corrective actions with suppliers CSR scoring sees overall improvement reducing the overall areas of concern.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (Target 3)

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**F6.9**

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**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

**Forest risk commodity**

Timber products

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Supply chain mapping

**Details of engagement**

Developing or distributing supply chain mapping tool  
Supplier questionnaires on environmental and social indicators

**Description of engagement**

Avery Dennison requires all our suppliers (and indirectly our second-tier suppliers) to comply with our supplier standards, including compliance with applicable laws, regulations and industry standards. In situations where there is a conflict between these laws and standards, suppliers are required to meet the higher standard. We regularly perform supplier audits to ensure compliance; during 2022 we audited a total of 66 suppliers.

When legally required and requested, suppliers must provide the country of origin and species of all paper products and ensure they come from responsibly managed forests, in accordance with regional regulations, and show that paper sourced can be considered, at a minimum, as meeting FSC CW standards. This information must be provided by all second-tier suppliers.

Yearly we are assessing, through Rainforest Alliance, our supplier's country (and if needed, region) of origin of the pulp they are sourcing. Using the Preferred by Nature Country list and using FSC Mixed Credit as a proxy for low risk of deforestation, we can assess the overall risk of causing deforestation within our paper-based products.

**Explain the impact of your engagement on the selected action**

In 2021 we estimated that 37% of the pulp sourced could come from high risk areas with regards to deforestation. Our 2022 assessment estimated this level at 19.7%, which includes both medium (15.5%) and high risk (4.2%). For the high risk portion, risk mitigation plans are being developed.

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (Target 3)

**F6.10**

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	<b>Do you engage in landscape/jurisdictional approaches?</b>	<b>Primary reason for not engaging in landscape and/or jurisdictional approaches</b>	<b>Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future</b>
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	Avery Dennison has a history of working with coalitions on complex challenges. At the end 2020 we joined FSC, and we're actively working on determining which certifications we currently use meet deforestation-free criteria. We will continue to engage more actively in the next several years as part of our deforestation-free efforts.

**F6.11**

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Forest Stewardship Council (FSC)  
Programme for the Endorsement of Forest Certification (PEFC)  
Sustainable Forestry Initiative (SFI)  
Other, please specify (RainForest Alliance)

**Please explain**

Avery Dennison participates in external initiatives through the Forest Stewardship Council (FSC) by adopting the FSC's principles of forest management and certifying products through FSC. Through FSC certification, we ensure that our products come from responsibly managed forests that provide environmental, social and economic benefits. We also work with suppliers certified to PEFC and SFI standards to advance our procurement of sustainable forest products. In addition, we are a member of Rainforest Alliance. We have made public commitments to both organizations. In 2020, we became organization members of FSC. We sit in the Economic Chamber of FSC, enabling us to be more actively involved in the organization and stay abreast of updates and developments within the industry and be more proactive to any future changes.

## F6.12

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### (F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

No, and we do not plan to implement project(s) within the next two years

## F7. Verification

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### F7.1

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#### (F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

### F7.1a

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#### (F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

##### Disclosure module

F6. Implementation

##### Data points verified

Avery Dennison has used external auditor Rainforest Alliance to validate two main points disclosed in this document.

1. The geographical locations where timber has been sourced.
2. The percentage of material that comes from FSC and other certified sources.

##### Verification standard

The Rainforest Alliance audit is the verification standard to ensure that progress toward company goals is made. The process is undertaken using an online data capture tool that identifies and validates the data points. Suppliers provide certification documents for specific invoices requested, and also provide country/region of origin information through the RFA survey.

##### Please explain

Rainforest Alliance audits Avery Dennison annually to ensure that material purchased is sourced according to policy commitments. The Rainforest Alliance audit ensures that suppliers and manufacturing locations are using materials that are certified by FSC or other certification schemes. In 2022, RFA validated 94% of all paper purchased by Avery Dennison.

For 2022 purchases, Rainforest Alliance, using the Preferred by Nature Risk Country listing, the amount of pulp purchased from low/medium/high risk countries was assessed.

This is deemed to be a low risk of deforestation, purchased with FSC/PEFC or SFI certification.

If pulp is sourced from a high risk country with FSC or SFI certification, this is also deemed low risk of deforestation.

Any pulp sourced from high risk countries with PEFC only or no certification, is deemed to be of medium or high risk of deforestation. Risk mitigation plans are defined to reduce those risks.

As a result it has been assessed that a total of 80.3% of the total pulp sourced for use in our products was from "low risk of deforestation" sources.

This was calculated as follows:

63% of our paper spend was sourced directly from countries identified as "low-risk."

Of the 37% sourced from high risk countries, 77% was with FSC or SFI being a proxy for "low risk of deforestation." This, along with the 63% from low risk countries, equates to 80.3% of our total pulp is sourced from "low risk of deforestation."

A further 18% sourced from high risk countries was with PEFC being a proxy for "medium risk of deforestation." Longer term mitigation plans are being defined and implemented to reduce this by the end of 2024.

The remaining 5% sourced from high risk countries was with no certification, which is considered "high risk of deforestation." For this 5%, considered a priority, Avery Dennison is defining risk mitigation plans to reduce this level further.

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## F8. Barriers and challenges

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### F8.1

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**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Value chain complexity

**Comment**

Our Responsible Paper Procurement Policy covers all raw materials purchased as a direct material commodity. An area with greater challenge is the outer packaging used to ship products. In this space, we purchase packaging from more than 500 suppliers across more than 50 countries. This complexity makes it more challenging to track progress towards our sourcing goals.

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Limited availability of certified materials

**Comment**

Avery Dennison has found that FSC certification, while widely available within Europe and the Americas, does not have such wide availability within Asia. We are currently working with our supplier base to address this. Further, there is a general lack of information regarding which regions within high-risk countries could be considered "low risk" of deforestation if supplied under certification.

**F8.2**

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Main measure**

Reduced cost of certification/certified products

**Comment**

Within certain regions FSC material is not widely available. Suppliers cite the cost and complexity to gain FSC certification. If FSC material were more widely available in certain regions, this would assist us in meeting our goals of 70% FSC-certified material.

**F17 Signoff**

**F-FI**

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

**F17.1**

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

	<b>Job Title</b>	<b>Corresponding job category</b>
Row 1	President and Chief Operating Officer	Chief Operating Officer (COO)

**SF. Supply chain module**

**SF0.1**

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

No

Please explain

As Avery Dennison is not a land manager or forester, we do not engage in removal credit creation.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms