# **Avery Dennison Corporation - Climate Change 2022**



C0. Introduction

C<sub>0.1</sub>

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

Avery Dennison is a global materials science and manufacturing company specializing in the design and manufacture of a wide variety of labelling and functional materials. The company's products, which are used in nearly every major industry, include pressure-sensitive materials for labels and graphic applications; tapes and other bonding solutions for industrial, medical and retail applications; tags, labels and embellishments for apparel; and radio-frequency identification (RFID) solutions serving retail apparel and other markets

Avery Dennison is composed of three business segments: Label and Graphic Materials (LGM), Retail Branding and Information Solutions (RBIS), and Industrial and Healthcare Materials (IHM). We operate in more than 50 countries worldwide with approximately 36,000 employees. In 2021 our global net sales were \$8.4 billion. Further information about Avery Dennison, our business, and our organizational structure can be found at <a href="https://www.averydennison.com">www.averydennison.com</a>.

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.

## C0.2

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

|           | Start date | End date    |    | Select the number of past reporting years you will be providing emissions data for |
|-----------|------------|-------------|----|--|
| Reporting | January 1  | December 31 | No | <not applicable=""></not>  |
| year      | 2021       | 2021        |    |  |

C0.3

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| (C0.3) 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  |
|   |
|   |
| C0.4  |
|   |
| (C0.4) Select the currency used for all financial information disclosed throughout your response.   |
| USD   |
|   |
|   |
| C0.5  |
| (C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option shoul |
| align with your chosen approach for consolidating your GHG inventory.   |
| Operational control   |
|   |
|   |
|   |
| C-AC0.6/C-FB0.6/C-PF0.6   |

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(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products - whether in your direct operations or in other parts of your value chain - relevant to your current CDP climate change disclosure?

|                          | Relevance  |
|--------------------------|--|
| Agriculture/Forestry     | Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]  |
| Processing/Manufacturing | Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only] |
| Distribution             | Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only] |
| Consumption              | Yes [Consumption only]   |

# C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

## Row 1

# Primary reason

Do not own/manage land

## Please explain

Avery Dennison works with suppliers and does not own or manage our own land.

# C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

## Agricultural commodity

Timber

% of revenue dependent on this agricultural commodity

## Produced or sourced

Sourced

## Please explain

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 manage any forestry or agricultural operations.

# C0.8

(C0.8) 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                            |  |

# C1. Governance

# C1.1

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

Yes

# C1.1a

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

# Position of individual(s) Board-level committee Board oversight over environmental sustainability topics at committee meetings. The Committee is responsible for reviewing and providing oversight over key environmental sustainability initiatives, policies, and programs, including climate-related issues and other environmental matters of interest to our stakeholders. This includes reviewing with management management process, results, and feedback with respect to environmental sustainability. The Committee is also responsible for reviewing the shareholder engagement process, results, and feedback with respect to environmental sustainability and recommental sustainability. The Committee is also responsible for reviewing the shareholder engagement process, results, and feedback with respect to environmental sustainability and recommendations to the Board, as appropriate. In addition, our full Board engages business leaders on their sustainability initiatives during its regular review of business strategies. Our business has seen an increased focus on sustainable packaging and changing market conditions and consumer preferences. Our Board determined it was a strategic priority to ensure we are well-positioned to meet the increasing need and demand for more sustainable products. In July and December 2020, our Board held strategy sessions focused on environmental sustainability and our innovation efforts, which culminated with the launch of our 2030 sustainability goals in early 2021 and our SBTi targets being accepted in October, 2021. We reinvigorated our innovation program, including assessing and addressing risks related to investment in disruptive technologies. We continued to invest in initiatives focused on recyclability and enabling circularity and waste reduction and elimination. For example, our Sustainability Strategic Innovation Platform is investigating projects that increase material recyclability and the use of recycled content across the industries we serve, and innovations to reduce the environmenta

## C1.1b

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

| with<br>which<br>climate-<br>related |   | board-<br>level<br>oversight | Please explain  |
|--------------------------------------|---|------------------------------|---|
| Scheduled – some meetings            | Reviewing and guiding strategy Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues | Applicabl e>                 | The Governance Committee of our Board of Directors discusses environmental sustainability topics, which may include climate-related issues, at committee meetings. The Governance Committee also receives a report from management at least once a year on sustainability performance. Our full Board also engages with business leaders on their sustainability initiatives during its regular review of their business strategies. The Board is responsible for overseeing our enterprise risk management (ERM) program. The teams leading our businesses have incorporated ERM into developing and executing their strategies, assessing the risks impacting their businesses, and identifying and implementing appropriate mitigating actions on an ongoing basis. In addition, in consultation with our Chief Compliance Officer and senior management, these teams semiannually prepare a risk profile consisting of a heat map and a summary of their key risks and mitigating strategies, which are used to prepare a company risk profile based on identified business-specific risks. As part of the ERM process, we included sustainability trends and environmental regulation as a standalone risk. We consider additional climate topics as amplifiers of existing risks. 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 the first six years of the 10-year horizon for our 2025 sustainability goals, we made meaningful progress towards these goals. We believed it was important to establish another set of ambitious targets aligned with our business strategy and stakeholder priorities. Our Sustainability Council and Company Leadership team, including our Chairman and CEO, worked together to develop 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 established our goal to, by 2030, reduce our Scope 1 and 2 GHG emissions by |

# C1.1d

# $({\tt C1.1d})\ Does\ your\ organization\ have\ at\ least\ one\ board\ member\ with\ competence\ on\ climate-related\ issues?$

|          | 1 '' | related issues  | board-level competence    | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|----------|------|---|---------------------------|---|
| Row<br>1 |      | Our Chairman/CEO is engaged in our climate-related initiatives and is considered competent on these issues. We are currently developing criteria by which we can more formally evaluate competency. | <not applicable=""></not> | <not applicable=""></not>   |

## C1.2

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

|   | Name of the position(s) and/or committee(s) | Reporting line   |   | _                         | Frequency of reporting to the board on climate-related issues |
|---|---|--|---|---------------------------|---|
| ( | Chief Executive Officer (CEO)               | <not< td=""><td>Both assessing and managing climate-related risks and</td><td><not applicable=""></not></td><td>More frequently than quarterly</td></not<> | Both assessing and managing climate-related risks and | <not applicable=""></not> | More frequently than quarterly                                |
|   |   | Applicable>  | opportunities   |                           |   |

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

Our CEO serves as the Chairman of our Board and provides strategic guidance and direction to ensure we continue to make meaningful progress on sustainability. The CEO is involved with and signs off on major sustainability actions, given their material impact on the company. Our CEO provides guidance and direction to our President and COO, who leads Sustainability for us and is responsible for continued progress towards our sustainability goals.

Our Sustainability Council is composed of a cross-divisional and group of sustainability leaders to drive accountability and continually accelerate our progress. The group meets bimonthly and regularly provides updates to our executive leadership team. Through this process we complete a quarterly sustainability scorecard provided to the Board for review of progress towards our goals. At least annually, members of the SC present sustainability trends and our sustainability strategic plan to the Company Leadership Team.

Our 2025 sustainability goals include a 3% absolute reduction year-over-year and at least a 26% overall reduction, compared to our 2015 baseline, by 2025. In the first five years of the 10-year horizon for our 2025 sustainability goals, we made meaningful progress towards these goals. We believed it was important to establish another set of ambitious targets aligned with our business strategy and stakeholder priorities. In 2020, our Sustainability Council and Company Leadership team, including our Chairman and CEO, worked together to develop 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. We established our science-based targets, validated by SBTi, to, by 2030, reduce our Scope 1 and 2 GHG emissions by 70% from our 2015 baseline and work with our supply chain to reduce our 2018 baseline Scope 3 GHG emissions by 30% - with an ambition of net zero by 2050.

## C1.3

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

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

## C1.3a

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

| Entitled to incentive              |                    | Activity incentivized  | Comment   |
|------------------------------------|--------------------|--|---|
| Chief Executive Officer (CEO)      | Monetary<br>reward | Emissions<br>reduction<br>target   | 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 2021, all NEOs had an ESG objective as part of their annual goals, with their compensation impacted by performance. |
| Energy manager                     | Monetary<br>reward | Emissions<br>reduction<br>project<br>Energy<br>reduction<br>project                          | Environmental/Sustainability managers have overall accountability for ensuring public reduction targets are met.  |
| Environment/Sustainability manager | Monetary<br>reward | Emissions reduction project  | Each plant manager has strategic plans that include a number of key initiatives of which greenhouse gas reduction is one. Overall performance is measured against these key targets.  |
| Facilities manager                 | Monetary<br>reward | Emissions reduction project  | Each plant manager has strategic plans that include a number of key initiatives of which greenhouse gas reduction is one. Overall performance is measured against these key targets.  |
| All employees                      | Monetary<br>reward | Emissions<br>reduction<br>project<br>Energy<br>reduction<br>project<br>Efficiency<br>project | Performance-based annual Avery Dennison "Thank You" awards for activities such as sustainable product development and implementing projects with increased efficiency that lead to significant energy savings and progress towards emissions reduction.   |

# C2. Risks and opportunities

# C2.1

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

# C2.1a

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

|             | From (years) | To (years) | Comment   |
|-------------|--------------|------------|---|
| Short-term  | 0            | 1          |   |
| Medium-term | 1            | 5          | This covers our near-term time horizon which is 1 to 3 years and our medium-term horizon which is 3 to 5 years. |
| Long-term   | 5            | 10         |   |

# C2.1b

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

Avery Dennison defines substantive change as impacts on revenue, stakeholders and costs both on availability of purchased goods. Risks are categorized as low, medium, or high based on net income and likelihood. Overall, Avery Dennison measures inherent risk using the following annual thresholds: low risk is under \$10 million, medium risk is \$10 million to \$40 million, and high risk is above \$40 million of net income.

Through our risk identification process, Avery Dennison evaluates climate risks as standalone risks and also as part of broader risks, such as economic stability, and one of the risks the company considers to have a substantive impact is the risk of climate change and sustainability.

# C2.2

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

#### Value chain stage(s) covered

Direct operations

Upstream

Downstream

## Risk management process

Integrated into multi-disciplinary company-wide risk management process

## Frequency of assessment

More than once a year

## Time horizon(s) covered

Short-term

Medium-term

Long-term

#### **Description of process**

Avery Dennison's process for identifying, assessing and responding to climate-related risks and opportunities is integrated into our Enterprise Risk Management (ERM) process. Our Board of Directors (Board) is responsible for overseeing this process while management is responsible for the management of the day-to-day risks our

Our Board is responsible for ensuring that the ERM processes designed and implemented by management are functioning effectively, and that our culture promotes risk-adjusted decision-making. Each year, our Board receives reports on the ERM process and the strategic plans and risks facing our businesses and company as a whole. These risks include financial risks, geopolitical risks, legal and regulatory risks, supply chain risks, competitive risks, information technology risks, and other risks across our direct operations, upstream supply chain, and downstream value chain related to the ways in which Avery Dennison does business. These risks are evaluated across different timeframes including near-term, medium-term, and long-term to ensure that we are strategically evaluating risks.

The teams leading our businesses have incorporated ERM into developing and executing their strategies, assessing the risks impacting their businesses, and identifying and implementing appropriate mitigation strategies on an ongoing basis. In consultation with our head of risk management and members of senior management, our businesses' leadership teams prepare a risk profile twice a year, consisting of a heat map and a summary of their key risks and mitigating strategies. Climate risks are evaluated as standalone risks and are also a part of broader risks, such as economic stability. Each is ranked by the intersection of net income and likelihood, and materiality thresholds vary by business unit. These risk profiles are used to prepare a company risk profile based on identified business-specific risks as well as enterprise-wide risks. Avery Dennison prioritizes risks that have the potential for substantive financial or strategic impact.

Our annual long-term strategic planning process feeds into our ERM process. The teams that lead our businesses and various risk areas present strategic plans to our company leadership team identifying risks, opportunities, and long-term trends. Our CEO uses the process to inform the enterprise's strategic plan and discusses outcomes, risks, opportunities, and mitigation measures with the Board. Our head of risk management ties the strategic plans developed during this process to our ERM process.

Transition case study: Avery Dennison identified changing consumer preference as a market transition risk with the potential to cause substantive financial impact since our label materials are sold for use in plastic packaging in the food, beverage, and home and personal care market segments. In recent years, there has been an accelerated focus on sustainability, with greater consumer concern regarding climate change and single-use plastics, corporate commitments regarding the reuse and recyclability of plastic packaging and recycled content, and increased regulation across multiple geographies regarding the collection, recycling and use of recycled content. We are closely monitoring changes in consumer preferences or laws and regulations related to the use of plastics could reduce demand for our products. To mitigate this risk, we have developed new products to advance the circular economy and address the need for increased recyclability of plastic packaging, and are developing new solutions to address this challenge in collaboration with our customers and the businesses in our supply chain.

Physical case study: It is important for us to obtain timely delivery of materials, equipment, and other resources from suppliers, and to make timely delivery to customers. We may experience supply chain interruptions due to natural and other disasters or other events. Any disruption to our supply chain could have a material adverse effect on our sales and profitability, and any sustained interruption in our receipt of adequate supplies could have a material adverse effect on our business so the company is continually monitoring for these climate impacts. Our performance depends in part on our ability to re-engineer our products.

## C2.2a

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

|                    | Relevance | Please explain  |
|--------------------|-----------|---|
|                    | &         |   |
|                    | inclusion |   |
| Current regulation | included  | Avery Dennison considers current regulatory risks to be relevant to our business, primarily due to the potential impact they could have on our operations as well as customer demand for our products. As a corporation with global operations, we are subject to various national, state, provincial and/or local laws and regulations including those related to the emission of greenhouse gases and packaging and recycled content regulations. These include limits on greenhouse gas emissions such as the EU ETS, greenhouse gas reporting requirements, recycled content requirements, and end of life recyclability criteria. Failure to comply with or the cost required to comply with current regulation could adversely affect our business or reputation. Our business units are responsible for continuing to evaluate current regulations and identify ways to mitigate regulatory risks. |
|                    |           | Example: Avery Dennison has locations in areas around the world that are subject to emissions trading schemes and regulation of carbon pricing. We have one facility that emits over 25,000MT of Scope 1 greenhouse gas emissions in a year, which is typically the threshold for these programs. The company continues to track and monitor the evolution of these programs. In the European Union, we are using offsets and allowances to comply with regulation.   |

|                     | Relevance<br>&<br>inclusion        | Please explain   |
|---------------------|------------------------------------|--|
| Emerging regulation | Relevant,<br>always<br>included    | Avery Dennison considers emerging regulations to be relevant to our business, primarily due to the potential impact they could have on our operations as well as customer demand for our products. With global operations, we are subject to various national, state, provincial and/or local laws and regulations including limits on GHG emissions, GHG reporting requirements, recycled content requirements, and end of life recyclability criteria. Failure to comply with or the cost required to comply with future regulation could adversely affect our business or reputation. Our business units are responsible for monitoring the global regulatory landscape to ensure that they are adjusting their strategies and implementing mitigating measures as appropriate to proactively address regulations that are likely to be implemented.  |
|                     |                                    | The Avery Dennison Product Regulation "Early Warning" System tracks and alerts stakeholders of regulatory developments that may impact our businesses. To monitor emerging regulations, we track regulatory news in 120 countries and expert analysis to stay abreast of product-related regulatory developments. Designated individuals in our business units are notified as events occur within their area of expertise and are responsible for assessing the potential impact and relevance to Avery Dennison. For example, our Early Warning System alerted us in 2015 that certain chemicals in our adhesives would be banned in the EU starting in 2021. By learning that this was coming, we were able to take a structured approach to find and implement alternatives with virtually no impact on our operations, performance, or customers.   |
|                     |                                    | Example: Avery Dennison is continually monitoring regulation and considering the direction that this might evolve. As regulation is developing quickly in China and the European Union, offsets used for facilities in these countries may not be acceptable in the future and the company will need to continue to adapt our plans to meet our targets. Within regions of China where we operate, stricter environmental regulations are being proposed that would significantly impact our facilities. The regulations are targeting a reduction in volatile organic compounds from industrial operations. Due to our global policies and procedures, our facilities in China are below the limits of the regulations that have come into effect in the relevant provinces but we continue to monitor emerging regulations.  |
| Technology          | Relevant,<br>sometimes<br>included | Avery Dennison considers technology risks such as the minimization or removal of labeling and concerns with single use items including plastics. This is a key risk since we are a global leader in providing packaging and labeling solutions and recycling technologies are driving the ability to reuse our products including our pressure sensitive labels. Currently, we are focusing our efforts to meet regulatory needs and monitoring the evolution of recycling technologies. We track the evolution of these megatrends through our ERM process and ongoing strategy assessment to anticipate changes.   |
|                     |                                    | Technology poses opportunities as our products help meet changing customer preferences including providing greater visibility into supply chains. For example, we provide innovative materials (inlays and tags) for use in radio frequency identification applications which may enable companies to track products more efficiently throughout the supply chain. Tracking products more efficiently may unlock new opportunities for optimization of product shipping and transportation, potentially reducing transportation-related GHG emissions and assist companies in calculating their products' carbon footprint and capturing other supply chain efficiencies.  |
|                     |                                    | Example: As customer preferences change, with greater concern regarding climate change and single-use plastics, we must provide sustainable products that are recyclable under existing and emerging technologies. We have established a goal to have 70% of the products the company sells will conform to, or will enable end products to conform to, our sustainability principles. The Avery Dennison Sustainable ADvantage Portfolio offers customers products that meet at least one of our three sustainability standards:  Responsible Sourcing: content is verified to come from sustainably sourced materials  Reduction of Materials: offers comparable or superior performance using less materials  Recycle: content is recyclable, made of recycled content, or enables recycling  |
|                     |                                    | We apply concrete, measurable criteria to ensure that products meet these standards. By increasing the recyclability of our products, increasing the use of recycled content, and reducing the amount of material used to manufacture our products, Avery Dennison can reduce the carbon footprint of our products. Better insights from a product standpoint will help us identify and address technology risks associated with our products.   |
| Legal               | Relevant,<br>sometimes<br>included | Avery Dennison considers the laws of all the countries in the company does business in developing our business strategies and in the ways in which the company are seeking to mitigate the risk of climate change. Since we are not emissions intensive as compared to other sectors, we have limited risks from our direct operations. For example, we experience limited coverage under emerging emissions trading schemes since our facility emissions are generally under the threshold for inclusion. In addition, we implement measures that comply with local laws as we seek to reduce our own emissions, and in developing products that have a lower carbon footprint downstream.  |
| Market              | Relevant,<br>always<br>included    | Our business may be impacted by market changes including changing customer preferences. In recent years, there has been an accelerated focus on sustainability, with greater consumer concern regarding climate change and single-use plastics, corporate commitments regarding the reuse and recyclability of plastic packaging and recycled content, and increased regulation across multiple geographies regarding the collection, recycling and use of recycled content. Avery Dennison is at risk that changes in consumer preferences related to the use of plastics could reduce demand for our products. Specifically, the transition to a circular economy indicates we will have to take responsibility for the waste associated with our matrix and liners or our current materials could be banned.  |
|                     |                                    | Example: Avery Dennison currently uses a lifecycle analysis tool the company developed internally to understand opportunities for reducing our carbon footprint. In addition, with support from the Carbon Trust, we are working to create a new tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. We plan to fully launch this tool in 2022. The tool will provide a better product standpoint to help us identify and address market risks associated with our products. For example, in 2019, we introduced a number of recycled-content products, including the first recycled liner solutions for both film and paper. Our recycled PET (rPET) liner uses 30% post-consumer waste and our rBG liner contains 15% post-consumer waste. These products cost the same as conventional liners and deliver the same ease of conversion and smooth dispensing, while offering reduction in water use, energy, and greenhouse gas emissions. |
| Reputation          | Relevant,<br>sometimes<br>included | Maintaining our reputation as an ethical business is at the core of everything Avery Dennison does. The impact of our actions is a central tenet of our risk assessments, including how our actions affect our reputation. In recent years, there has been an accelerated focus on sustainability and transparency in reporting, with greater consumer concern regarding climate change and single-use plastics. During 2020, we conducted a comprehensive materiality assessment to understand stakeholder expectations and determine our most material sustainability topics. Greenhouse Gas Emissions and Energy Use and Climate Resilience were determined to be topics of significance. In managing our reputational risk around this topic, we are committed to reporting annually on our progress and performance toward our Greenhouse Gas Emissions and Energy Use targets.   |
|                     |                                    | Example: In an effort to mitigate our reputational risk around sustainability topics, including climate change, Avery Dennison increased our R&D and Marketing communication focus on our innovations that enable recycling and advance the circular economy, in particular products lines like CleanFlake and ThinkThin. In addition, through our RFID and Intelligent Label platforms, we enable customers to talk about sustainability as part of their story. By providing our customers with assurance and information of our sustainable products, the company can better market these products and mitigate risks associated with developing new technologies.  |
| Acute<br>physical   | Relevant,<br>sometimes<br>included | It is important for us to obtain timely delivery of materials, equipment, and other resources from suppliers, and to make timely delivery to customers. Avery Dennison may experience supply chain interruptions due to acute risks such as natural and other disasters or other events. Any disruption to our supply chain could have a material adverse effect on our sales and profitability, and any sustained interruption in our receipt of adequate supplies could have a material adverse effect on our business so Avery Dennison is continually monitoring for these climate impacts. Our performance depends in part on our ability to re-engineer our products.  |
|                     |                                    | Example: As climate change drives increasing water scarcity, we use WRI Aqueduct to assess water risks including the physical risks quantity, including interannual variability, seasonal variability, and drought risk at each of our operations. At year-end 2021, 74 of our 247 operational sites are located in areas of high or extremely high overall water risk. We anticipate taking steps to include assessments of these future implications for our suppliers. We track our suppliers' environmental practices and progress using an annual EcoVadis questionnaire. This data is retained for our use when determining future business, including supply chain risks and opportunities.   |
| Chronic<br>physical | Relevant,<br>sometimes<br>included | It is important for us to obtain timely delivery of materials, equipment, and other resources from suppliers, and to make timely delivery to customers. Avery Dennison may experience supply chain interruptions due to acute and chronic physical risks. Any disruption to our supply chain could have a material adverse effect on our sales and profitability, and any sustained interruption in our receipt of adequate supplies could have a material adverse effect on our business so we are continually monitoring for these climate impacts. Our performance depends in part on our ability to re-engineer our products.  |
|                     |                                    | Example: As climate change drives increasing water scarcity, we use WRI Aqueduct to assess water risks including the physical risks quantity, including interannual variability, seasonal variability, and drought risk at each of our operations. At year-end 2021, 74 of our 247 operational sites are located in areas of high or extremely high overall water risk. We anticipate taking steps to include assessments of these future implications for our suppliers. We track our suppliers' environmental practices and progress using an annual EcoVadis questionnaire. This data is retained for our use when determining future business, including supply chain risks and opportunities.   |

# C2.3

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

. .

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

#### Identifier

Risk 1

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

Downstream

## Risk type & Primary climate-related risk driver

| Market | Changing customer behavior |
|--------|----------------------------|
|--------|----------------------------|

#### Primary potential financial impact

Decreased revenues due to reduced demand for products and services

## Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

#### Company-specific description

Increased customer attention is on the environmental performance of products, including their carbon footprint, which could affect their selection of our products. In particular, there is increasing focus on reducing the end of life impacts associated with plastic packaging.

One of the greatest changes in our end markets has been the acceleration of the awareness of, need for and urgency to deliver more sustainable solutions, including an emphasis on recycling. This presents a number of challenges for our business since we are dependent on the evolution of recycling technologies to ensure the sustainability of our products. For example, our labels generally involve a face material, which may be paper, metal foil, plastic film or fabric, and an adhesive, which may be permanent or removable. These are used broadly for labeling, decorating, and specialty applications in the home and personal care, beer and beverage, durables, pharmaceutical, wine and spirits, and food market segments around the world.

Plastic packaging sustainability in the consumer goods industry presents the greatest strategic challenge to our LGM business. Plastic is widely used for packaging because of its barrier properties (reduced food waste), light weight (reduced logistics cost), versatility, durability and low cost.

Given the sustainability pressures and vast number of markets and geographies that we serve, a greater emphasis on either reducing labeling or reducing packaging altogether presents long-term challenges to our business.

## Time horizon

Medium-term

#### Likelihood

Likely

#### Magnitude of impact

Medium-low

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

Yes, a single figure estimate

## Potential financial impact figure (currency)

70000000

## Potential financial impact figure - minimum (currency)

<Not Applicable>

# Potential financial impact figure – maximum (currency)

<Not Applicable>

## Explanation of financial impact figure

Avery Dennison is already responding to changing consumer behavior driven by a demand for more sustainable products. Even a small market shift as consumers focus further on climate change might have a material financial impact on our business. With sales of approximately \$8.4 billion in 2021, a 1% shift, absent mitigation, would represent a significant loss in sales.

This estimate of financial impact assumes that there is a linear relationship between consumer behavior changes and revenue. However, we recognize that the impact on our products might be uneven and the 1% has been assumed to provide further insight on how this impact might continue to evolve and to understand potential order of magnitude financial impacts.

We expect that these financial impacts might occur in the future and have not assigned a timeframe since scenario analysis work is still forthcoming.

# Cost of response to risk

0

## Description of response and explanation of cost calculation

Our innovation strategy has developed strategic innovation platforms focused on recyclability/enabling circularity and waste reduction/elimination. To support this, we are working to develop a recyclability roadmap. An element of this roadmap is around developing a comprehensive portfolio of pressure-sensitive label materials. This involves creating label materials that separate during the recycling process, as well as using recycled content in manufacturing our products. We believe that by implementing this strategy, we will be well set up to be the future sustainability leader.

For example, Avery Dennison has developed a lifecycle analysis tool to understand opportunities for reducing our carbon footprint. In addition, with support from the Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. We plan to fully launch this tool in 2022. The tool will provide additional detail and insights, through more detailed product life cycle analysis, to help us identify and address climate-related market risks associated with our products. For example, in 2019, we introduced a number of recycled-content products, including the first recycled liner solutions for both film and paper. Our recycled PET (rPET) liner uses 30% post-consumer waste and our rBG liner contains 15% post-consumer waste. These products cost the same as conventional liners and deliver the same ease of conversion and smooth dispensing, while offering reduction in water use, energy, and greenhouse gas emissions.

# Comment

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

C2.4a

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

## Identifier

Opp1

## Where in the value chain does the opportunity occur?

Direct operations

## Opportunity type

Products and services

## Primary climate-related opportunity driver

Shift in consumer preferences

## Primary potential financial impact

Increased revenues resulting from increased demand for products and services

## Company-specific description

Customers increasingly assess products based on their environmental performance. This presents us with the opportunity to increase sales by developing products that have a relatively lower carbon footprint than our competitors.

To manage these opportunities, we are expanding our sustainable product offerings through detailed customer research and life cycle analysis of our products. Our analysis has helped us focus our product innovation on reducing the environmental impact of the materials found in our products by designing thinner and lighter labeling materials; developing bio-based adhesive formulations that reduce consumption of fossil-based materials; and designing products that facilitate recycling.

Avery Dennison is responding to changing consumer behavior driven by a demand for more sustainable products, such as our CleanFlake and ThinkThin product lines. CleanFlake enables recyclability of PET and HDPE containers. ThinkThin label constructions are up to 50% thinner than conventional labels. Using 1,000,000 square meters of a filmic ThinkThin label reduces the usage of fossil materials by 39%, energy usage by 46% and water usage by 30%.

#### Time horizon

Short-term

## Likelihood

Likely

## Magnitude of impact

Medium

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

Yes, a single figure estimate

## Potential financial impact figure (currency)

70000000

## Potential financial impact figure - minimum (currency)

<Not Applicable>

## Potential financial impact figure - maximum (currency)

<Not Applicable>

# Explanation of financial impact figure

Avery Dennison is already responding to changing consumer behavior driven by a demand for more sustainable products. Even a small market shift as consumers focus further on climate change might have a material financial impact on our business. With sales of approximately \$8.4 billion in 2021, a 1% shift, absent mitigation, would represent a significant loss in sales.

This estimate of financial impact assumes that there is a linear relationship between consumer behavior changes and revenue. However, Avery Dennison recognizes that the impact on our products might be uneven and the 1% has been assumed to provide further insight on how this impact might continue to evolve and to understand potential order of magnitude financial impacts.

We expect that these financial impacts might occur in the future and have not assigned a timeframe since scenario analysis work is still forthcoming.

# Cost to realize opportunity

0

## Strategy to realize opportunity and explanation of cost calculation

Our innovation strategy has developed strategic innovation platforms focused on recyclability/enabling circularity and waste reduction/elimination. To support this, we are working to develop a recyclability roadmap. An element of this roadmap is around developing a comprehensive portfolio of pressure-sensitive label materials. This involves creating label materials that separate during the recycling process, as well as using recycled content in manufacturing our products. We believe that by implementing this strategy, we will be well set up to be the future sustainability leader.

To streamline the life-cycle assessments, we utilize our environmental assessment tool known as MatcheckTM to help our customers estimate the relative energy, GHG emissions, water, waste, biobased materials, and fossil materials associated with the products they buy. With support from the Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. We plan to fully launch this tool in 2022. In the case of our redesigned adhesives, liners, and papers, we saw some increases in fossil materials and emissions but overall reductions in water usage.

## Comment

# C3. Business Strategy

# C3.1

## (C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

## Row 1

## Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

## Publicly available transition plan

<Not Applicable>

## Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

## Description of feedback mechanism

<Not Applicable>

## Frequency of feedback collection

<Not Applicable>

## Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

## Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We have adopted Scope 1 and 2 emission reduction targets that have been approved by the Science-Based Targets initiative and align with reductions required to keep warming to no more than 1.5° C, the most ambitious goal of the Paris Agreement. We are also undertaking an effort to map our strategy to align with the recommendations of the Task Force on Climate-Related Financial Disclosures over the next year, which will help us develop the foundation of a 1.5° C transition plan.

When setting our SBTi-aligned emission reduction targets, we have begun to map out how we can achieve our goal to reduce absolute Scope 3 GHG emissions from purchased goods and services and end of life treatment of sold products 30% by 2030 (from a 2018 baseline) by modelling reduction scenarios for Scope 3 emissions using Climate Earth. These scenarios included an analysis of 10%, 30% and 75% use of recycled content in our products; 10%, 25%, and 30% reduction of materials, and increased recycling rates of 70%, 80% and 90% of waste in our value chain.

In addition, as part of our low-carbon transition efforts, we have developed a Carbon Impact Program for our LGM business that outlines how our strategy around emissions in manufacturing, processing, and end of life will continue to evolve over the next few years. Key components of our approach include evaluating standards for carbon reduction, enhancing measurement, developing carbon reduction roadmaps (for suppliers through product end-of-life), and enhancing communication.

# Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

## C3.2

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

|          | related scenario<br>analysis to inform<br>strategy   | Primary reason why your<br>organization does not use<br>climate-related scenario<br>analysis to inform its<br>strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future   |
|----------|--|--|---|
| Row<br>1 | No, but we anticipate<br>using qualitative<br>and/or quantitative<br>analysis in the next<br>two years | Other, please specify (We are currently in the process of conducting a climate-related scenario analysis.)             | We recognize the importance of conducting climate-related scenario analyses to inform our business strategy and better understand and quantify the risks and uncertainties we may face in the future. Conducting a full climate-related scenario analysis for physical and transition risks is an existing priority as part of our work to align with the TCFD recommendations. We have started mapping our strategy to TCFD and will be engaging on scenario analyses and risk assessments in late 2022/early 2023 as part of this effort. We currently expect results to be available for reporting and disclosure next year. |
|          | ino your   |  | We already have an annual process for evaluating industry scenarios across our business units. Ranging from business-as-usual to potential impacts from legislation and brand focus on eliminating single-use plastic. We model the likelihood and impact of our current businesses to inform our marketing, technology, sales, and legal strategies. This will form the basis for integrating further climate-related scenarios into our business planning efforts.  |

## C3.3

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

|  | Have climate-<br>related risks<br>and<br>opportunities<br>influenced<br>your strategy<br>in this area? | Description of influence   |
|--|--|--|
| Products<br>and<br>services  | Yes  | Increased customer attention is on the environmental performance of products, including their carbon footprint, which could affect their selection of our products. One of the greatest changes in our end markets has been the acceleration of the awareness of, need for and urgency to deliver more sustainable solutions including an emphasis on recycling.  Avery Dennison develops products with climate impact in mind, from the materials we use, to how they're constructed or recycled at end-of-life. For example, increasing the recycled content of a product or re-engineering its composition to reduce the amount of material needed can enable less energy use in its production.  To facilitate the growth of sustainable and low-carbon products, we have developed goals and KPI's around a Sustainable Advantage Portfolio. In this portfolio, we identify products that have been sourced and developed to lower environmental impact, including (1) responsible material selections, (2) lower amount of materials used, (3) use of recycled content and (4) enabling consumer packaging to be recyclable. All categories are focused on reducing greenhouse gas emissions and waste. For products with reduced materials and other materials selections, we verify the environmental benefit through a partial life cycle analysis or use of an external party to verify the benefit. Our Sustainable Advantage Portfolio contains hundreds of products that help our customers and their end users reduce materials consumption and environmental footprint.  Beyond our product classifications, we are working with the Carbon Trust to create a tool that will capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios.  Time horizon: Avery Dennison sees this as a short-term opportunity. |
| Supply<br>chain<br>and/or<br>value<br>chain  | Yes  | Since we rely on our value chain for raw materials, we are aware that many of our risks are shared by our suppliers. Avery Dennison is assessing the current state of carbon in our supply chain in an iterative manner. A baseline assessment for upstream GHG impact was developed in 2019 through a third party with secondary (industry standards) data. This led to a plan to evaluate the majority of our upstream supply chain (Goods and Services) with primary data in the next two years through the CDP Supply Chain measurement system. This will be used as a stepping stone to address our Scope 3 impact as articulated in our Carbon Impact Program strategy.  In addition, we also provide innovative materials (inlays and tags) for use in radio frequency identification (RFID) applications that enable companies to track products more efficiently throughout the supply chain. Tracking products more efficiently may unlock new opportunities for optimization of product shipping and transportation, potentially reducing transportation-related GHG emissions. Access to more sophisticated supply chain data can also assist companies in calculating their products' carbon footprint and capturing other supply chain efficiencies.  Time horizon: Avery Dennison sees this as a short-term opportunity.  |
| Investment in R&D  Findings to date have shown that the principal opportunities for reducing the environmental impact of our pressure-sensitive labeling and materials and the end-of-life disposal of those materials. In contrast, we estimate that the manufacturing phase of our products' life cycle impact on the major environmental indicators. These findings have helped us focus our product innovation on reducing the environmenta by designing thinner, lighter labeling and trim materials; developing bio-based adhesives formulations that reduce consumption of fossil-facilitate recycling.  We utilize our environmental assessment tool to help customers worldwide estimate the relative energy savings and GHG emissions red with support from the Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will |  | We utilize our environmental assessment tool to help customers worldwide estimate the relative energy savings and GHG emissions reduction of the products they buy. In addition, with support from the Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. Avery Dennison plans to fully launch this tool in 2022.  |
| Operations   | Yes  | Price fluctuations around energy and greenhouse gas emissions are increasingly leading Avery Dennison to actively pursue energy efficiency and decarbonisation strategies across our portfolio. We have annual capital budgets used for operational efficiency improvement projects, several of which are related to the reduction of energy intensity.  A substantive business decision includes our commitment to renewable energy in the form of signing a 30 MW US wind virtual power purchase agreement (VPPA). This VPPA will have an estimated emissions reduction of 98,800 metric tons CO2e annually. In June 2020, our US virtual wind PPA with Plum Creek Wind came to fruition, and our off-take in 2020 was 62,224 megawatt hours (MWh). In 2021, its first full year of operation, our off-take from this 82-turbine, 230-tMW project yielded 115,754 MWh of renewable power. Additional substantial business decisions were our Pune, India and Kunshan, China onsite solar rooftop panels, where 1 MW of onsite solar panels were installed and 0.8 MWh of an on-site solar power purchase agreement was implemented, respectively. In June, 2021 we broke ground on a concentrated solar facility in our Turnhout, Belgium facility, which will help power drying ovens in that facility.  These investments have enabled us to significantly reduce our emissions by approximately 50% from our 2015 baseline and ensure that we are more resilient to emerging carbon pricing and energy price fluctuations.  Time horizon: We see this as a short-term opportunity.  |

# C3.4

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

|          | Financial<br>planning<br>elements<br>that have<br>been<br>influenced | Description of influence   |
|----------|--|--|
| Row<br>1 | Direct costs   | Avery Dennison's climate related risks and opportunities have influenced financial planning in the area of direct costs. We have allocated capital to assessing and reducing our Scope 1, 2, and 3 GHG impact. This involves both the contracted third parties who have helped gather information and provide feedback on next steps as well as data analysis tools used internally to inform decision making going forward. This will continue in the future as CDP Supply Chain's services are contracted for the acquisition of primary GHG data for our top suppliers.   |
|          |  | A substantive business decision includes our commitment to renewable energy in the form of signing a 30 MW US wind virtual power purchase agreement (VPPA). In June 2020, our US virtual wind PPA with Plum Creek Wind came to fruition, and our off-take in 2020 was 62,224 megawatt hours (MWh). In 2021, its first full year of operation, our off-take from this 82-turbine, 230-MW project yielded 115,754 MWh of renewable power. Additional substantial business decisions were our Pune, India and Kunshan, China onsite solar rooftop panels, where 1 MW of onsite solar panels were installed and 0.8 MWh of an on-site solar power purchase agreement was implemented, respectively. In June, 2021 we broke ground on a concentrated solar facility in our Turnhout, Belgium facility, which will help power drying ovens in that facility. |
|          |  | Time horizon: We see this as a short-term opportunity.   |

# C4. Targets and performance

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

Absolute target

## C4.1a

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

## Target reference number

Abs 1

## Year target was set

2015

## Target coverage

Company-wide

## Scope(s)

Scope 1

Scope 2

## Scope 2 accounting method

Market-based

## Scope 3 category(ies)

<Not Applicable>

## Base year

2015

## Base year Scope 1 emissions covered by target (metric tons CO2e)

291949

## Base year Scope 2 emissions covered by target (metric tons CO2e)

407075

# Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

# Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

599024

# Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

# Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

# Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

# Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

# Target year

2025

# Targeted reduction from base year (%)

26

# Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

51/2//./6

# Scope 1 emissions in reporting year covered by target (metric tons CO2e)

100799

# $\label{eq:cope-2} \textbf{Scope 2 emissions in reporting year covered by target (metric tons \ CO2e)}$

159570

## Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

# Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

348368

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

192.937141368097

# Target status in reporting year

Achieved

# Is this a science-based target?

No, but we are reporting another target that is science-based

# Target ambition

<Not Applicable>

## Please explain target coverage and identify any exclusions

This target covers 100% of our Scope 1 and 2 emissions. Our goal is to achieve at least a 3% absolute reduction year over year. By basing our approach on The 3% Solution developed by World Wildlife Fund, CDP and McKinsey & Company, Avery Dennison plan to cut emissions by a minimum of 26 percent by 2025.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

## List the emissions reduction initiatives which contributed most to achieving this target

In 2015, Avery Dennison established our goal to reduce our absolute GHG emissions by 3% year-over-year, and by at least 26% compared to our 2015 baseline, by 2025. We exceeded that goal within five years of setting it, cutting emissions by approximately 48% compared to the 2015 baseline in 2021. Natural gas and electricity are the primary energy sources for our operations, accounting for the majority of our Scope 1 and 2 emissions. The majority of our emission reduction activities came from renewable energy projects, which are applied across our global manufacturing footprint. Emission reductions have been achieved through a range of activities, including energy efficiency improvements, fuel switching to less emissions-intensive fuel sources, renewable electricity sourcing via on-site, owned solar, direct wind and solar power purchase agreements (PPAs), and procurement of renewable energy credits. In June 2020, our US virtual wind PPA with Plum Creek Wind came to fruition, and our offtake in 2020 was 62,224 megawatt hours (MWh). In 2021, its first full year of operation, our off-take from this 82-turbine, 230-MW project yielded 115,754 MWh of renewable power. In addition, we had several facility projects to reduce natural gas and electricity use including waste heat recovery and chiller upgrades. These projects and associated operational improvements have allowed us to make progress towards achieving our GHG reduction targets.

Target reference number

Abs 2

Year target was set

2021

**Target coverage** 

Company-wide

Scope(s)

Scope 1 Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base vear

2015

Base year Scope 1 emissions covered by target (metric tons CO2e)

291949

Base year Scope 2 emissions covered by target (metric tons CO2e)

407075

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

699024

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2 100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

188799

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

159570

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

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

71 6623667938644

Target status in reporting year

Underway

## Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

#### **Target ambition**

1.5°C aligned

# Please explain target coverage and identify any exclusions

This target covers 100% of our Scope 1 and 2 emissions meaning there are no exclusions from this target. We are committed to reaching our sustainability goals by the year 2030. Our 2030 sustainability goals complement and live alongside our 2025 sustainability goals. Our 2030 sustainability goals were developed based on careful analysis of what is most important for our business and stakeholders, covering the areas where we can, and should, make the greatest difference. Striving to meet our new goals will be the greatest test yet of our capacity to innovate and an invaluable opportunity to position our business for lasting success.

Our 2030 sustainability goals align with seven of the United Nations Sustainable Development Goals (SDGs). A framework adopted by 193 countries, the SDGs have become a common standard for governments, the private sector and civil society to track progress toward sustainability.

## Plan for achieving target, and progress made to the end of the reporting year

The majority of our emission reduction activities come from renewable energy projects, which are applied across our global manufacturing footprint. In June 2020, our US virtual wind PPA with Plum Creek Wind came to fruition, and our off-take in 2020 was 62,224 megawatt hours (MWh). In 2021, its first full year of operation, our off-take from this 82-turbine, 230-MW project yielded 115,754 MWh of renewable power. In addition, we had several facility projects to reduce natural gas and electricity use including waste heat recovery and chiller upgrades. These projects and associated operational improvements have allowed us to make progress towards achieving our GHG reduction targets.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

#### Target reference number

Abs 3

#### Year target was set

2021

## Target coverage

Company-wide

#### Scope(s)

Scope 3

## Scope 2 accounting method

<Not Applicable>

#### Scope 3 category(ies)

Category 1: Purchased goods and services
Category 12: End-of-life treatment of sold products

# Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

3576610

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3576610

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable:

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

70

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

70

# Target year

2030

# Targeted reduction from base year (%)

30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

2503627

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4681044

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

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

-102.931174119254

## Target status in reporting year

Underway

## Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

#### Target ambition

Other, please specify (Our Scope 3 target is approved by SBTi and meets the SBTi's criteria for ambitious value chain goals, meaning it is aligned with current best practice.)

#### Please explain target coverage and identify any exclusions

Avery Dennison is committed to reaching our sustainability goals by the year 2030. Our 2030 sustainability goals complement and live alongside our 2025 sustainability goals. Our 2030 sustainability goals were developed based on careful analysis of what is most important for our business and stakeholders, covering the areas where the company can, and should, make the greatest difference. Striving to meet our new goals will be the greatest test yet of our capacity to innovate and an invaluable opportunity to position our business for lasting success.

Our 2030 sustainability goals align with seven of the United Nations Sustainable Development Goals (SDGs). A framework adopted by 193 countries, the SDGs have become a common standard for governments, the private sector and civil society to track progress toward sustainability.

In 2020, Avery Dennison conducted a complete Scope 3 inventory using 2018 data as the baseline of this target. We selected our 2018 Scope 3 inventory as our baseline year because of the accuracy and completeness of data. We will update our complete Scope 3 inventory to include company acquisitions as necessary, as well as include any data gaps uncovered in subsequent reporting. In 2018, Purchased Goods & Services represented approximately 58% of our Scope 3 emissions. We also include our Scope 3 Category 12: End-of-life treatment of sold products emissions in this target. Together, both categories represented 70% of our Scope 3 footprint in 2018.

## Plan for achieving target, and progress made to the end of the reporting year

2021 Scope 3 calculations show a continued growth across categories. This is due to several factors including organic growth of the business, improvements in data completeness and coverage, and inflation driving significant uptick in spend resulting in higher EEIO calculated footprint. Avery Dennison has numerous programs under way to reduce scope 3 impacts such as product lightweighting and increased use of bio-based materials. We have engaged our suppliers including with tools such as CDP supply chain and EcoVadis. We are accelerating our work to implement more advanced calculation methodologies both in terms of granularity and rigor that will better allow us to show the reductions achieved by these programs.

Data for 2021 includes complete coverage for LGM and RBIS business units (excluding some acquisitions during the period), and some but not all of our IHM business. This represents an improvement in coverage over 2020 reporting and our baseline, and this combined with acquisitions will trigger a re-baselining exercise in the near future.

To understand opportunities for reducing our carbon footprint, we use MatcheckTM, a lifecycle analysis tool the company developed for the materials our company sources. Our analysis has shown that making significant reductions in our Scope 3 emissions requires us to substantially reduce the volumes of materials we purchase while simultaneously switching to materials with a reduced carbon footprint. Our business units have begun making these adjustments, and, at the enterprise level, Avery Dennison is analyzing how to re-engineer and reduce material usage while maintaining or improving product quality. In partnership with Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. we plan to fully launch this tool within our LGM business in 2022.

In addition to reducing upstream emissions, Avery Dennison also sees significant opportunities to reduce the downstream and end-of-life impact of our products through RFID and other digital identity technologies developed by our Intelligent Labels group. By giving each of our products a traceable identity, we might soon be able to ensure that the item is reclaimed or recycled at the end of its useful life.

List the emissions reduction initiatives which contributed most to achieving this target <Not Applicable>

| $\sim$ | 1 | 0 |
|--------|---|---|
| U      | 4 | _ |

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

C4.2c

## (C4.2c) Provide details of your net-zero target(s).

#### Target reference number

NZ1

## Target coverage

Company-wide

## Absolute/intensity emission target(s) linked to this net-zero target

Abs2

Abs3

## Target year for achieving net zero

2050

## Is this a science-based target?

No, but we are reporting another target that is science-based

## Please explain target coverage and identify any exclusions

Through our Carbon Impact Program, Avery Dennison is in the process of building a roadmap to net zero by 2050 across our direct and indirect emissions. This approach will require considerable innovation around our products to ensure that we are using low impact products both in supplier and material selection as well as the end of life treatment of products.

## Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

## Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

# C4.3

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

Yes

## C4.3a

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

|                           | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation       | 9                     | 0  |
| To be implemented*        | 2                     | 444  |
| Implementation commenced* | 13                    | 2354   |
| Implemented*              | 56                    | 99049  |
| Not to be implemented     | 6                     | 0  |

## C4.3b

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

# Initiative category & Initiative type

|  | Low-carbon energy consumption | Wind |  |
|--|-------------------------------|------|--|
|--|-------------------------------|------|--|

# Estimated annual CO2e savings (metric tonnes CO2e)

67812

## Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

# Voluntary/Mandatory

Voluntary

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

0

## Investment required (unit currency - as specified in C0.4)

43300

# Payback period

No payback

## Estimated lifetime of the initiative

<1 year

#### Comment

Purchase of I-RECs from wind resources for multiple facilities in China

## Initiative category & Initiative type

Low-carbon energy consumption Wind

## Estimated annual CO2e savings (metric tonnes CO2e)

20476

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

## Voluntary/Mandatory

Voluntary

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

0

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

68380

## Payback period

No payback

## Estimated lifetime of the initiative

<1 year

## Comment

Purchase of Guarantees of Origin from wind resources for multiple facilities in Europe

## Initiative category & Initiative type

Low-carbon energy consumption Solar PV

# Estimated annual CO2e savings (metric tonnes CO2e)

2273

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

## Voluntary/Mandatory

Voluntary

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

0

# Investment required (unit currency – as specified in C0.4) 4350

1000

## Payback period

No payback

# Estimated lifetime of the initiative

<1 year

## Comment

Purchase of I-RECs from solar resources for a facility in Vietnam

## Initiative category & Initiative type

Low-carbon energy consumption Solar PV

# Estimated annual CO2e savings (metric tonnes CO2e)

743

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

# Voluntary/Mandatory

Voluntary

# Annual monetary savings (unit currency - as specified in C0.4)

0

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

2954

## Payback period

No payback

## Estimated lifetime of the initiative

<1 year

#### Comment

Purchase of I-RECs from solar resources for a facility in Honduras

# Initiative category & Initiative type

Low-carbon energy consumption Hydropower (capacity unknown)

# Estimated annual CO2e savings (metric tonnes CO2e)

2212

## Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

## Voluntary/Mandatory

Voluntary

# Annual monetary savings (unit currency - as specified in C0.4)

## Investment required (unit currency - as specified in C0.4)

4710

## Payback period

No payback

# Estimated lifetime of the initiative

<1 year

## Comment

Purchase of Guarantees of Origin from hydro resources for a facility in Italy

## Initiative category & Initiative type

Low-carbon energy consumption Solid biofuels

## Estimated annual CO2e savings (metric tonnes CO2e)

18

## Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

# Voluntary/Mandatory

Voluntary

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

0

## Investment required (unit currency - as specified in C0.4)

40

# Payback period

No payback

## Estimated lifetime of the initiative

<1 year

## Comment

Purchase of Guarantees of Origin from solid biomass for a facility in Italy

# Initiative category & Initiative type

Low-carbon energy consumption Hydropower (capacity unknown)

# Estimated annual CO2e savings (metric tonnes CO2e)

53

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

# Voluntary/Mandatory

Voluntary

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

0

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

265

CDP

## Payback period

No payback

## Estimated lifetime of the initiative

<1 year

#### Comment

Purchase of I-RECs from hydro resources for a facility in Colombia

# Initiative category & Initiative type

Low-carbon energy generation Solar PV

## Estimated annual CO2e savings (metric tonnes CO2e)

294

## Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

# Voluntary/Mandatory

Voluntary

## Annual monetary savings (unit currency - as specified in C0.4)

84000

## Investment required (unit currency - as specified in C0.4)

350000

# Payback period

4-10 years

## Estimated lifetime of the initiative

16-20 years

## Comment

On-site solar installation in a facility in Thailand

## Initiative category & Initiative type

Energy efficiency in production processes Other, please specify (Misc. projects to reduce natural gas consumption in production processes, including steam elimination and waste heat recovery)

## Estimated annual CO2e savings (metric tonnes CO2e)

542

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

# Voluntary/Mandatory

Voluntary

## Annual monetary savings (unit currency - as specified in C0.4)

141222

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

384531

## Payback period

1-3 years

## Estimated lifetime of the initiative

11-15 years

## Comment

Misc. projects to reduce natural gas consumption in production processes, including steam elimination and waste heat recovery

# Initiative category & Initiative type

Energy efficiency in production processes Other, please specify (Misc. projects to reduce electricity consumption in production processes, including chiller upgrades and VFDs)

## Estimated annual CO2e savings (metric tonnes CO2e)

316

# Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

# Voluntary/Mandatory

Voluntary

## Annual monetary savings (unit currency - as specified in C0.4)

69880

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

115208

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

#### Comment

Misc. projects to reduce electricity consumption in production processes, including chiller upgrades and VFDs

# C4.3c

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

| Method                         | Comment   |  |
|--------------------------------|---|--|
| Dedicated budget for other     | Ve have annual capital budgets used for operational efficiency improvement projects, several of which are related to the reduction of energy intensity.                           |  |
| emissions reduction activities | addition, we have a dedicated budget for emission reduction activities, particularly as it relates to our GHG reduction targets, including purchase of unbundled renewable energy |  |
|                                | attributes in several markets. In 2018, we signed a 30MW US wind VPPA, which went into commercial operation in June of 2020.  |  |

## C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Nο

# C5. Emissions methodology

# C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

# C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

## Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

## C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

|       | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|-------|---|--|
| Row 1 | No  | <not applicable=""></not>  |

# C5.2

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

## Scope 1

## Base year start

January 1 2015

## Base year end

December 31 2015

# Base year emissions (metric tons CO2e)

291949

## Comment

# Scope 2 (location-based)

## Base year start

January 1 2015

# Base year end

December 31 2015

# Base year emissions (metric tons CO2e)

407075

## Comment

# Scope 2 (market-based)

## Base year start

January 1 2015

## Base year end

December 31 2015

# Base year emissions (metric tons CO2e)

407075

## Comment

# Scope 3 category 1: Purchased goods and services

## Base year start

January 1 2018

# Base year end

December 31 2018

# Base year emissions (metric tons CO2e)

2955560

# Comment

# Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

# Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

# Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

# Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel Base year start Base year end Base year emissions (metric tons CO2e) Comment Scope 3 category 7: Employee commuting Base year start Base year end Base year emissions (metric tons CO2e) Comment Scope 3 category 8: Upstream leased assets Base year start Base year end Base year emissions (metric tons CO2e) Comment Scope 3 category 9: Downstream transportation and distribution Base year start Base year end Base year emissions (metric tons CO2e) Scope 3 category 10: Processing of sold products Base year start Base year end Base year emissions (metric tons CO2e) Comment Scope 3 category 11: Use of sold products Base year start Base year end Base year emissions (metric tons CO2e) Scope 3 category 12: End of life treatment of sold products Base year start January 1 2018 Base year end December 31 2018 Base year emissions (metric tons CO2e) 621050 Comment Scope 3 category 13: Downstream leased assets Base year start Base year end Base year emissions (metric tons CO2e) Comment Scope 3 category 14: Franchises Base year start Base year end Base year emissions (metric tons CO2e) Comment

| Scope 3 category 15: Investments  |
|---|
| Base year start   |
| Base year end   |
| Base year emissions (metric tons CO2e)  |
| Comment   |
| Scope 3: Other (upstream)   |
| Base year start   |
| Base year end   |
| Base year emissions (metric tons CO2e)  |
| Comment   |
| Scope 3: Other (downstream)   |
| Base year start   |
| Base year end   |
| Base year emissions (metric tons CO2e)  |
| Comment   |
|   |
| C5.3  |
| (C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.  The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)  |
| C6. Emissions data  |
|   |
| C6.1  |
| C6.1  (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  |
|   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e)   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date  |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable=""> End date</not>   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable="">  End date <not applicable=""></not></not>  |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable="">  End date <not applicable="">  Comment</not></not>   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable="">  End date <not applicable="">  Comment  C6.2</not></not>   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable="">  End date <not applicable="">  Comment  C6.2  (C6.2) Describe your organization's approach to reporting Scope 2 emissions.</not></not>   |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable="">  End date <not applicable="">  Comment  C6.2  (C6.2) Describe your organization's approach to reporting Scope 2 emissions.  Row 1  Scope 2, location-based We are reporting a Scope 2, location-based figure</not></not>                     |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date  |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date <not applicable=""> End date <not applicable=""> Comment  C6.2  (C6.2) Describe your organization's approach to reporting Scope 2 emissions.  Row 1  Scope 2, location-based We are reporting a Scope 2, location-based figure Scope 2, market-based</not></not> |
| (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?  Reporting year  Gross global Scope 1 emissions (metric tons CO2e) 189718  Start date  |

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

#### Reporting year

Scope 2, location-based

321570

Scope 2, market-based (if applicable)

159570

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

## C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

## C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

#### Source

Small or leased sites

#### Relevance of Scope 1 emissions from this source

No emissions from this source

## Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

## Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

# Explain why this source is excluded

Emissions were estimated and determined to be less than 1% of the total emissions inventory.

# Estimated percentage of total Scope 1+2 emissions this excluded source represents

1

## Explain how you estimated the percentage of emissions this excluded source represents

For many of Avery Dennison's smaller offices, warehouses and other locations where we may rent or lease the space, energy usage is often paid as part of the rental agreement. For these locations, we do not either have access to the environmental data or confidence in the data available; therefore, the data for these locations is not reported into ASPIRE. However, via our corporate real estate department, we identified a global list of these facilities, including square footage, and generated estimated emissions.

The U.S. Energy Information Agency, via its 2012 Commercial Buildings Energy Consumption Survey published average energy intensities (energy/sq. ft) for various building types and building activities by climate regions. Using these published energy intensities and the known square footage of non-energy reporting locations, we estimate non-reporting site emissions to be 4,522.25 metric tons CO2e or 0.69% of total Scope 1 and 2 emissions. Since emissions from non-reporting sites represent less than 1% of our Scope 1 and 2 emissions, we classify this category of emissions as de minimis. For the purposes of this estimate, we have made the conservative assumptions that all non-reporting sites purchase natural gas for building heat.

We plan to update this estimate every five years or when there is a material change to the business with the next update occurring with the preparation of the 2025 inventory.

## Source

Fire suppression systems

# Relevance of Scope 1 emissions from this source

No emissions from this source

## Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

## Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

# Explain why this source is excluded

Emissions were estimated and determined to be less than 1% of the total emissions inventory.

## Estimated percentage of total Scope 1+2 emissions this excluded source represents

1

## Explain how you estimated the percentage of emissions this excluded source represents

Some Avery Dennison facilities have installed fire suppression systems that utilize a fire suppression agent that is an established GHG. In support of the CY 2020 and future GHG inventories, we developed a corporate inventory, including quantity and type of agent, of the GHG-based fire suppression systems. We utilized this inventory to

estimate the magnitude of fugitive losses from our GHG-based fire suppression systems by following the screening methodology from the US EPA GHG Inventory Guidance Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases. This methodology assumes that for fixed and portable systems, 2.5 and 3.5% of a system's capacity respectively is lost annually via fugitive leaks, respectively. We have assumed that all GHG-based fire suppression systems are fixed.

Using this US EPA screening guidance, we estimate GHG-based fire suppression systems emissions to be ~272 tons CO2e or 0.14% of total Scope 1 emissions. Since fugitive emissions from GHG-based fire suppression systems represent less than 1% of our Scope 1 emissions, we accept this category of emissions as de minimis as it is highly unlikely to represent a material misstatement of our inventory.

We plan to update this estimate every five years or when there is a material change to the business, with the next update occurring with the preparation of the 2025 inventory.

In the event a facility experiences a full discharge of a GHG-based fire suppression system, Avery Dennison will utilize this inventory to calculate emissions associated with this full discharge and report emissions as appropriate.

## Source

Mobile sources

## Relevance of Scope 1 emissions from this source

Emissions are relevant and calculated, but not disclosed

## Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

## Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

## Explain why this source is excluded

Emissions are calculated and relevant for Scope 1 but because they are minimal, they will be included in the inventory beginning in FY 2022 as part of our effort to restate the baseline with 2022 acquisitions.

## Estimated percentage of total Scope 1+2 emissions this excluded source represents

4

## Explain how you estimated the percentage of emissions this excluded source represents

#### Source

Unintended leakage of refrigerant from cooling systems

## Relevance of Scope 1 emissions from this source

Emissions are relevant and calculated, but not disclosed

## Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

## Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

# Explain why this source is excluded

Emissions are calculated and relevant for Scope 1 but because they are de minimis, they will be included in the inventory beginning in FY 2022 as part of our effort to restate the baseline with 2022 acquisitions.

# Estimated percentage of total Scope 1+2 emissions this excluded source represents

1

## Explain how you estimated the percentage of emissions this excluded source represents

# C6.5

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

## Purchased goods and services

## **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

3504946

## **Emissions calculation methodology**

Spend-based method

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

0

## Please explain

2021 Scope 3 calculations show continued growth across categories. This is due to several factors, including organic growth of the business, improvements in data completeness and coverage, and inflation driving significant uptick in spend resulting in higher EEIO calculated footprint. We have numerous programs underway to reduce scope 3 impacts such as product lightweighting and increased use of bio-based materials. We have engaged our suppliers including with tools such as CDP supply chain and EcoVadis. We are accelerating our work to implement more advanced calculation methodologies both in terms of granularity and rigor that will better allow us to show the reductions achieved by these programs.

We have partnered with Climate Earth to calculate Scope 3 totals relevant to our business. To calculate upstream impacts, Climate Earth utilizes an environmental extended input-output LCA (EEIO) model, and this year we began using the V2 model. The EEIO analysis relies on financial data to make assessments of cradle-to-gate environmental impacts based on the US EPA's emissions factors. The EPA model has calculated environmental impacts of industries in the form of impact/dollar. Climate Earth maps a customer's spend by purchase category to these factors to produce an upstream LCA. The result is a complete analysis of the upstream supply chain including analysis by supplier, category, and tier. Impact is calculated by the basic formula of: Activity Data x impact factor = impact So, for example, spend (\$) x impact factor (kgCO2e/\$) = impact (kgCO2e).

Data for 2021 includes complete coverage for LGM and RBIS business units (excluding some acquisitions during the period), and some but not all of our IHM business. This represents an improvement in coverage over 2020 reporting. Purchases made between divisions are excluded from these calculations to eliminate double-counting.

## Capital goods

#### **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

41972

# Emissions calculation methodology

Spend-based method

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

0

## Please explain

We have partnered with Climate Earth to calculate Scope 3 totals relevant to our business. To calculate upstream impacts, Climate Earth utilizes an environmental extended input-output LCA (EEIO) model, and this year we began using the V2 model. The EEIO analysis relies on financial data to make assessments of cradle-to-gate environmental impacts based on the US EPA's emissions factors. The EPA model has calculated environmental impacts of industries in the form of impact/dollar. Climate Earth maps a customer's spend by purchase category to these factors to produce an upstream LCA. The result is a complete analysis of the upstream supply chain including analysis by supplier, category, and tier. Impact is calculated by the basic formula of: Activity Data x impact factor = impact So, for example, spend (\$) x impact factor (kgCO2e/\$) = impact (kgCO2e).

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

## **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

8900

# Emissions calculation methodology

Spend-based method

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

0

# Please explain

We have partnered with Climate Earth to calculate Scope 3 totals relevant to our business. To calculate upstream impacts, Climate Earth utilizes an environmental extended input-output LCA (EEIO) model, and this year we began using the V2 model. The EEIO analysis relies on financial data to make assessments of cradle-to-gate environmental impacts based on the US EPA's emissions factors. The EPA model has calculated environmental impacts of industries in the form of impact/dollar. Climate Earth maps a customer's spend by purchase category to these factors to produce an upstream LCA. The result is a complete analysis of the upstream supply chain including analysis by supplier, category, and tier. Impact is calculated by the basic formula of: Activity Data x impact factor = impact So, for example, spend (\$) x impact factor (kgCO2e/\$) = impact (kgCO2e).

## Upstream transportation and distribution

## **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

539360

## **Emissions calculation methodology**

Spend-based method

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

0

## Please explain

We have partnered with Climate Earth to calculate Scope 3 totals relevant to our business. To calculate upstream impacts, Climate Earth utilizes an environmental extended input-output LCA (EEIO) model, and this year we began using the V2 model. The EEIO analysis relies on financial data to make assessments of cradle-to-gate environmental impacts based on the US EPA's emissions factors. The EPA model has calculated environmental impacts of industries in the form of impact/dollar. Climate Earth maps a customer's spend by purchase category to these factors to produce an upstream LCA. The result is a complete analysis of the upstream supply chain including analysis by supplier, category, and tier. Impact is calculated by the basic formula of: Activity Data x impact factor = impact So, for example, spend (\$) x impact factor (kgCO2e/\$) = impact (kgCO2e).

## Waste generated in operations

## **Evaluation status**

Not relevant, calculated

## Emissions in reporting year (metric tons CO2e)

38966

## **Emissions calculation methodology**

Waste-type-specific method

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

0

## Please explain

Avery Dennison collects data on the volume of waste generated in our facilities on an annual basis. This data is tracked by waste type and treatment. The quantity of generated waste material as well as disposal method was collected for 2021 and then converted to GHG emissions using the emission factors from the EPA's Office of Resource Conservation and Recovery (February 2016) Documentation for Greenhouse Gas Emission and Energy Factors used in the Waste Reduction Model (WARM).

#### **Business travel**

## **Evaluation status**

Relevant, calculated

# Emissions in reporting year (metric tons CO2e)

2097

# Emissions calculation methodology

Spend-based method

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

0

## Please explain

We have partnered with Climate Earth to calculate Scope 3 totals relevant to our business. To calculate upstream impacts, Climate Earth utilizes an environmental extended input-output LCA (EEIO) model, and this year we began using the V2 model. The EEIO analysis relies on financial data to make assessments of cradle-to-gate environmental impacts based on the US EPA's emissions factors. The EPA model has calculated environmental impacts of industries in the form of impact/dollar. Climate Earth maps a customer's spend by purchase category to these factors to produce an upstream LCA. The result is a complete analysis of the upstream supply chain including analysis by supplier, category, and tier. Impact is calculated by the basic formula of: Activity Data x impact factor = impact So, for example, spend (\$) x impact factor (kgCO2e/\$) = impact (kgCO2e).

## **Employee commuting**

## **Evaluation status**

Not relevant, calculated

## Emissions in reporting year (metric tons CO2e)

24491

## **Emissions calculation methodology**

Hybrid method

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

0

## Please explain

In 2021, Avery Dennison had approximately 36,000 full-time equivalent employees globally. Employees at manufacturing locations were assumed to commute to work full-time. Non-manufacturing employees were assumed to work from home 90% of the time, and commute into the office the remaining 10% of the time.

Employee commuting emissions were estimated by using regional trends for commute mode, commute time and mileage and applying the appropriate emission factors. Commute mode breakdown and commute time were sourced from the US Census, UK Census, Canadian Census, and IZA Institute of Labor Statistics.

For our locations in the United States and United Kingdom, city and state census data was used. For locations in LATAM, APAC, and Europe, country specific transportation studies from Deloitte were used when available. Regional-based assumptions for the remainder of our locations were made for where direct data could not be obtained

The average miles by type of transportation (passenger car, public transit, carpooling, motorcycle and active transport) was estimated using average commute distance and time by city, region or country, utilizing the aforementioned data sources. Then, based on commute mode breakdown from census data and number of employees at each office, the total number of miles for each mode at a given office was estimated. This information was converted into GHG emission using emission factors from US EPA and LIK DEFRA

#### Upstream leased assets

## **Evaluation status**

Not relevant, explanation provided

## Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

## Please explain

Avery Dennison does not have any upstream leased assets, therefore Scope 3 GHG emissions associated with downstream leased assets are zero (0).

## Downstream transportation and distribution

## **Evaluation status**

Not relevant, explanation provided

# Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

## Please explain

This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on our review of operations.

## Processing of sold products

## **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

605382

## **Emissions calculation methodology**

Site-specific method

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

0

#### Please explain

Emissions were calculated for the LGM and RBIS business units. Minimal quantities of IHM product are sent for conversion and this business unit was excluded.

To calculate the LGM emissions, Avery Dennison utilized the 2021 volume and area data and 2016 product data provided by Avery Dennison's product managers and Research & Development team, focused on the top 80% of products by volume sold. The emissions for the remaining 20% of LGM volume was extrapolated based on top 80% which was considered representative. Mass by product category was determined using average product material composition representing the top five selling products for each selected product category including thickness and mass of each material layer. It was assumed that 100% of the product materials were sent to a third-party convertor for printing and trimming, slitting, and die-cutting. This information was converted into GHG emissions using emissions factors from Ecoinvent.

To calculate the RBIS emissions, it was assumed that our products were sold to end brands and required attachment to the third party's product by thread. To calculate the emissions, we assumed that RBIS and IHM products each 1.5x1.5" paper tag has an average mass of 0.157 kg/sqm. Based on the total 2021 estimated RBIS product mass of approximately 263,000,000 kg and assumed 10 cm of 40 weight thread (40km of thread weighs 1 kg) used per RBIS product, amounts to approximately 115,000,000 km of thread weaved. This information was converted into GHG emissions using emissions factors from Ecoinvent.

The majority of our products that undergo third party conversion are in the LGM business unit, and includes materials such as paper face and liner, film face and liner, and adhesives. The distribution of material converted by mass is 99% LGM and 1% RBIS. This product and material distribution combined with LGM accounting for 65% of our total sales in 2021 means that the materials, emissions factors and assumptions related to LGM are driving the overall results.

## Use of sold products

#### **Evaluation status**

Not relevant, explanation provided

## Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

## Please explain

Avery Dennison sells a large variety of intermediate goods with diverse applications making it difficult to assess emissions reasonably and accurately around the use of sold products. The majority of Avery Dennison's products are not known to directly consume energy or fuel, and the direct use-phase emissions are considered de minimus. Additional analysis of the optional indirect use-phase emissions may be considered in the future. Thus, these emissions were excluded in accordance with the Greenhouse Gas Protocol Section 6.4 and therefore are considered to be zero (0).

## End of life treatment of sold products

## **Evaluation status**

Relevant, calculated

## Emissions in reporting year (metric tons CO2e)

1176098

# Emissions calculation methodology

Spend-based method

Waste-type-specific method

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

0

# Please explain

To calculate LGM and IHM end-of-life emissions, Avery Dennison utilized the 2021 volume and area data and 2016 product data and focused on the top 80% of products by volume sold. Emissions for the remaining 20% LGM volume were extrapolated based on top 80%.

Mass by product category was determined using average product material composition representing the top 5 selling products for each selected product category including thickness and mass of material layer. Percentages of material scrap and waste disposed of at a converter, end user, and consumer end-destination based on a previous Avery Dennison commissioned study from 2016. This study determined 21% of LGM products go to converter (7% process scrap, 14% matrix waste), 39% to end user (1% end user scrap, 38% liner waste), and 40% to consumer (40% final label).

Material scrap and waste were assigned treatment options (landfill, incineration, recycling) at the converter, end user, and consumer end-destination based on a previous our commissioned study from 2020. The 2020 study provided treatment percentages assumptions by geographic regions (North America, Latin America, Europe, North & South Asia Pacific). Landfilling, incineration, and recycling rates varied by region and material. On average more than 50% of our paper materials are landfilled. This information was converted into GHG emissions using Ecoinvent emissions factors.

To calculate RBIS end-of-life emissions, we utilized a Multi-Regional Environmentally Extended Input-Output (MRIO) dataset. The MRIO dataset relies on financial data by sector to calculate factors as USD/kg of material to convert sales data into material mass. Using this approach, spend (\$) divided by the factor (\$/kg) = material mass (kg). Based on the major product categories by sales volume, RBIS products were assumed to be 50% paper and 30% fabric. RBIS end-of-life treatment was assumed to be 85% landfill and 15% incineration. This information was converted into GHG emissions using Ecoinvent emissions factors.

The vast majority of our materials across business units are paper driven meaning that emissions factors and assumptions related to paper end-of-life treatment are driving the overall results. In particular, the biogenic methane emissions from the landfill treatment of paper is a large contributor to overall emissions.

#### Downstream leased assets

## **Evaluation status**

Not relevant, explanation provided

## Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

## Please explain

Avery Dennison does not have any downstream leased assets, therefore Scope 3 GHG emissions associated with downstream leased assets are zero (0).

#### Franchises

#### **Evaluation status**

Not relevant, explanation provided

# Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

#### Please explain

Avery Dennison does not have any franchises, therefore Scope 3 GHG emissions associated with franchises are zero (0).

#### Investments

## **Evaluation status**

Not relevant, explanation provided

## Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

# Please explain

This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on Avery Dennison's review of operations.

## Other (upstream)

# **Evaluation status**

Not relevant, explanation provided

# Emissions in reporting year (metric tons CO2e)

<Not Applicable>

# Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

## Please explain

Avery Dennison does not have any other upstream emissions, therefore Scope 3 GHG emissions associated with other (upstream) are zero (0).

## Other (downstream)

# Evaluation status

Not relevant, explanation provided

# Emissions in reporting year (metric tons CO2e)

<Not Applicable>

## **Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

## Please explain

Avery Dennison does not have any other downstream emissions, therefore Scope 3 GHG emissions associated with other (downstream) are zero (0).

# C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

## C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

#### Agricultural commodities

Timber

#### Do you collect or calculate GHG emissions for this commodity?

No, not currently but intend to collect or calculate this data within the next two years

#### Please explain

Currently Avery Dennison calculates emissions from our purchased goods and services, which include timber-based materials sourced from paper manufacturers, but we do not currently possess the granularity of isolating impacts specifically for timber. We will be seeking a method to gain this granularity in conjunction with collecting and incorporating primary data from supplies through our engagement with CDP Supply Chain.

## C6.10

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

## Intensity figure

41 5

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

349288

#### Metric denominator

unit total revenue

#### Metric denominator: Unit total

8408.3

## Scope 2 figure used

Market-based

## % change from previous year

27.7

# Direction of change

Decreased

## Reason for change

Our gross Scope 1 and Scope 2 emissions intensity decreased by 27.9% due to emission reduction projects, which drove energy efficiency and low-carbon energy consumption in our facilities and throughout our production processes. The following examples outline our 2021 investments contributing to emissions reductions at Avery Dennison: On-site solar panel installations and facility projects to reduce natural gas and electricity consumption in production, including waste heat recovery and chiller upgrades. These projects and associated operational improvements have allowed us to make progress towards achieving our GHG reduction targets, including purchasing unbundled renewable energy attributes in several markets.

# C7. Emissions breakdowns

# C7.1

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

Yes

# C7.1a

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

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference                                 |
|----------------|---|---|
| CO2            | 188599                                  | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4            | 92.73                                   | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O            | 107.07                                  | IPCC Fifth Assessment Report (AR5 – 100 year) |

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

| Country/Region                        | Scope 1 emissions (metric tons CO2e) |
|---------------------------------------|--------------------------------------|
| Asia Pacific (or JAPA)                | 64709                                |
| Europe, Middle East and Africa (EMEA) | 46463                                |
| Latin America (LATAM)                 | 6577                                 |
| North America                         | 71047                                |

# C7.3

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

By business division

# C7.3a

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

| Business division                                | Scope 1 emissions (metric ton CO2e) |  |
|--|-------------------------------------|--|
| Industrial and Healthcare Materials (IHM)        | 67202                               |  |
| Label and Graphic Materials (LGM)                | 118078                              |  |
| Retail Branding and Information Solutions (RBIS) | 3517                                |  |

# C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

No

# C-AC7.4c/C-FB7.4c/C-PF7.4c

(C-AC7.4c/C-FB7.4c/C-PF7.4c) Why do you not include greenhouse gas emissions pertaining your business activity(ies) in your direct operations as part of your global gross Scope 1 figure? Describe any plans to do so in the future.

|     | Primary      | Please explain  |  |
|-----|--------------|---|--|
|     | reason       |   |  |
| Row | Judged to be | Given the complexity of our business, Avery Dennison is primarily organized around our three business units including IHM, LGM, and RBIS. This organizational structure provides us with an |  |
| 1   | unimportant  | actionable way to manage our approach to reducing Scope 1 emissions. While this is our current process, this is subject to change in the future.  |  |

# C7.5

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

| Country/Region                        | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---------------------------------------|--|--|
| Asia Pacific (or JAPA)                | 188732                                     | 117480                                   |
| Europe, Middle East and Africa (EMEA) | 24957                                      | 2251                                     |
| Latin America (LATAM)                 | 10704                                      | 9908                                     |
| North America                         | 97176                                      | 29928                                    |

# C7.6

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

By business division

# C7.6a

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

| Business division                                | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|--|--|--|
| Industrial and Healthcare Materials (IHM)        | 60192                                      | 47831                                    |
| Label and Graphic Materials (LGM)                | 157035                                     | 68308                                    |
| Retail Branding and Information Solutions (RBIS) | 104342                                     | 43429                                    |

# C7.9

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

Decreased

# C7.9a

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

|   | ı     | Direction of change | Emissions<br>value<br>(percentage) | Please explain calculation  |
|---|-------|---------------------|------------------------------------|---|
| Change in renewable energy consumption  | 33042 | Decreased           | 8.21                               | Total scope 1 and 2 emissions were 402,220 MT CO2e in 2020 and 348,369 MT CO2e in 2021. This number represents the incremental benefits from an increase in the renewable energy credits that were purchased by Avery Dennison or received via a PPA or VPPA in 2021 versus 2020, plus incremental scope 1 solar consumption, converted into CO2e using site-specific electricity emission factors in Our GHG management system. The purchase and installation of renewable energy contributed to a 33,042 MT reduction in emissions. |
| Other                                   | 5086  | Decreased           | 1.26                               | (33,042 MT CO2e /402,220 MT CO2e)*100 = 8.21% decrease  This number represents the CO2e emission reductions that were attained by the completed energy efficiency projects as outlined in 4.3a. The following   |
| emissions<br>reduction<br>activities    |       |                     |                                    | examples outline our 2021 investments contributing to emissions reductions at Avery Dennison. On-site Solar Panel Installations and facility projects to reduce natural gas and electricity consumption in production including waste heat recovery and chiller upgrades. These projects and associated operational improvements have allowed us to advance progress towards achieving our GHG reduction targets.   |
|   |       |                     |                                    | The CO2e emissions reductions were calculated by applying the site-specific emission values in our GHG management system to the estimated annual energy consumption reduction for each of the completed projects.   |
|   |       |                     |                                    | (5,086 MT CO2e /402,220 MT CO2e) *100 = 1.26% decrease  |
| Divestment                              | 0     | No change           | 0                                  | There were no divestments in 2021.  |
| Acquisitions                            | 0     | No change           | 0                                  | There were no acquisitions in 2021.   |
| Mergers                                 | 0     | No change           | 0                                  | There were no mergers in 2021.  |
| Change in output                        | 15786 | Increased           | 3.93                               | This number represents the estimated change in emissions derived from an increase in energy usage due to increases in output.  (15,786 MT CO2e /402,220 MT CO2e) *100 = 3.93% increase  |
| Change in methodology                   | 31510 | Decreased           | 7.83                               | This number represents the change in emissions based on the update of site-specific energy emissions factors in our GHG management system that went into effect for reporting year 2021.  |
|   |       |                     |                                    | (31,510 MT CO2e /402,220 MT CO2e) *100 = 7.83% decrease   |
| Change in boundary                      | 0     | No change           | 0                                  | There were no changes in the boundary in 2021.  |
| Change in physical operating conditions | 0     | No change           | 0                                  | There were no changes in physical operating conditions in 2021.   |
| Unidentified                            | 0     | No change           | 0                                  | There were no unidentified changes in 2021.   |
| Other                                   | 0     | No change           | 0                                  | There were no other changes in 2021.  |

# C7.9b

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

Market-based

# C8. Energy

# C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy? More than 0% but less than or equal to 5%

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

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

#### C8.2a

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

|   | Heating value              | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|----------------------------|----------------------------|--------------------------------|---|
| Consumption of fuel (excluding feedstock)               | HHV (higher heating value) | 0                          | 1047037                        | 1047037                                 |
| Consumption of purchased or acquired electricity        | <not applicable=""></not>  | 349171                     | 279632                         | 628803                                  |
| Consumption of purchased or acquired heat               | <not applicable=""></not>  | <not applicable=""></not>  | <not applicable=""></not>      | <not applicable=""></not>               |
| Consumption of purchased or acquired steam              | <not applicable=""></not>  | 0                          | 17185                          | 17185                                   |
| Consumption of purchased or acquired cooling            | <not applicable=""></not>  | <not applicable=""></not>  | <not applicable=""></not>      | <not applicable=""></not>               |
| Consumption of self-generated non-fuel renewable energy | <not applicable=""></not>  | 2337                       | <not applicable=""></not>      | 2337                                    |
| Total energy consumption                                | <not applicable=""></not>  | 351508                     | 1343854                        | 1695362                                 |

#### C8.2b

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

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

#### C8.2c

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

Sustainable biomass

Heating value

Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment

#### Other biomass

#### Heating value

Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

<Not Applicable>

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment

#### Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment

## Oil

Heating value

Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

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

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

Comment

#### Gas

#### Heating value

HHV

#### Total fuel MWh consumed by the organization

1011939

# MWh fuel consumed for self-generation of electricity

0

## MWh fuel consumed for self-generation of heat

961975

# MWh fuel consumed for self-generation of steam

49964

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

#### MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

#### Comment

Natural Gas

#### Other non-renewable fuels (e.g. non-renewable hydrogen)

#### Heating value

HHV

#### Total fuel MWh consumed by the organization

18747

## MWh fuel consumed for self-generation of electricity

0

#### MWh fuel consumed for self-generation of heat

17816

#### MWh fuel consumed for self-generation of steam

931

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

#### MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

#### Comment

Propane Liquid

#### Total fuel

## Heating value

HHV

## Total fuel MWh consumed by the organization

16351

#### MWh fuel consumed for self-generation of electricity

16351

## MWh fuel consumed for self-generation of heat

0

# MWh fuel consumed for self-generation of steam

0

## MWh fuel consumed for self-generation of cooling

<Not Applicable>

## MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

## Comment

Diesel

## C8.2d

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

|             | _      |        | _    | Generation from renewable sources that is consumed by the organization (MWh) |
|-------------|--------|--------|------|--|
| Electricity | 2337   | 2337   | 2337 | 2337   |
| Heat        | 979791 | 979791 | 0    | 0  |
| Steam       | 50895  | 50895  | 0    | 0  |
| Cooling     | 0      | 0      | 0    | 0  |

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

#### Sourcing method

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

#### **Energy carrier**

Electricity

#### Low-carbon technology type

Wind

#### Country/area of low-carbon energy consumption

United States of America

#### Tracking instrument used

**US-REC** 

#### Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

115754

#### Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

#### Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

#### Comment

Project RECs from Plum Creek Wind virtual power purchase agreement applied across multiple manufacturing sites

#### Sourcing method

Unbundled energy attribute certificates (EACs) purchase

#### **Energy carrier**

Electricity

#### Low-carbon technology type

Wind

## Country/area of low-carbon energy consumption

China

#### Tracking instrument used

I-REC

# Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

50870

# Country/area of origin (generation) of the low-carbon energy or energy attribute

China

#### Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

# Comment

Purchased of unbundled I-RECs applied across multiple manufacturing facilities in China

# Sourcing method

Unbundled energy attribute certificates (EACs) purchase

#### **Energy carrier**

Electricity

## Low-carbon technology type

Wind

# Country/area of low-carbon energy consumption

China

# Tracking instrument used

I-REC

## Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

22500

## Country/area of origin (generation) of the low-carbon energy or energy attribute

China

## Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2017

#### Commen

Purchased of unbundled I-RECs applied across multiple manufacturing facilities in China

#### Sourcing method

Unbundled energy attribute certificates (EACs) purchase

#### **Energy carrier**

Electricity

#### Low-carbon technology type

Wind

#### Country/area of low-carbon energy consumption

China

#### Tracking instrument used

I-REC

#### Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

5001

#### Country/area of origin (generation) of the low-carbon energy or energy attribute

China

## Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2012

#### Comment

Purchased of unbundled I-RECs applied across multiple manufacturing facilities in China

#### Sourcing method

Unbundled energy attribute certificates (EACs) purchase

#### **Energy carrier**

Electricity

#### Low-carbon technology type

Wind

#### Country/area of low-carbon energy consumption

China

#### Tracking instrument used

I-REC

#### Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1639

## Country/area of origin (generation) of the low-carbon energy or energy attribute

China

# Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

#### Commen

Purchased of unbundled I-RECs applied across multiple manufacturing facilities in China

#### Sourcing method

Unbundled energy attribute certificates (EACs) purchase

#### **Energy carrier**

Electricity

## Low-carbon technology type

Wind

#### Country/area of low-carbon energy consumption

China

## Tracking instrument used

I-REC

## Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

30000

# $\label{low-carbon energy or energy attribute} \textbf{Country/area of origin (generation) of the low-carbon energy or energy attribute}$

China

#### Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

# Comment

Purchased of unbundled I-RECs applied across multiple manufacturing facilities in China

## Sourcing method

Unbundled energy attribute certificates (EACs) purchase

## **Energy carrier**

Electricity

## Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Colombia

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

329

Country/area of origin (generation) of the low-carbon energy or energy attribute

Colombia

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1994

Comment

Purchase of unbundled I-RECs in Colombia

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

Honduras

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2326

Country/area of origin (generation) of the low-carbon energy or energy attribute

Honduras

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

Comment

Purchase of unbundled I-RECs in Honduras

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

Viet Nam

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

5000

Country/area of origin (generation) of the low-carbon energy or energy attribute

Viet Nam

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

Comment

Purchase of unbundled I-RECs in Viet Nam

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Belgium

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1550

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Belgium

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

29872

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2011

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Belgium

Tracking instrument used

GC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3833

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Luxembourg

Tracking instrument used

GΟ

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6814

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Luxembourg

Tracking instrument used

GC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

19864

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2012

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

France

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

10000

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2006

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

9391

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2012

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Germany

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6677

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2012

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Netherlands

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6383

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2012

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Switzerland

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3247

Country/area of origin (generation) of the low-carbon energy or energy attribute

Greece

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2006

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Italy

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7183

Country/area of origin (generation) of the low-carbon energy or energy attribute

Italy

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Purchase of unbundled GOs

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier** 

Electricity

Low-carbon technology type

Other biomass

Country/area of low-carbon energy consumption

Italy

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

57

Country/area of origin (generation) of the low-carbon energy or energy attribute

Norway

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Purchase of unbundled GOs

Sourcing method

Purchase from an on-site installation owned by a third party

**Energy carrier** 

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Belgium

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3331

Country/area of origin (generation) of the low-carbon energy or energy attribute

Belgium

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2017

Comment

Direct wind PPA

Sourcing method

Purchase from an on-site installation owned by a third party

**Energy carrier** 

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

China

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

788

Country/area of origin (generation) of the low-carbon energy or energy attribute

China

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

Comment

Direct rooftop solar PPA

# (C8.2g) Provide a breakdown of your non-fuel energy consumption by country. Country/area

Argentina

Consumption of electricity (MWh)

2185.75

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2185.75

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Australia

Consumption of electricity (MWh)

794.22

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

794.22

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Bangladesh

Consumption of electricity (MWh)

10970.35

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated] 10970.35

10970.33

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Belgium

Consumption of electricity (MWh)

38786

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

38786

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Brazil

Consumption of electricity (MWh)

8515.92

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

8515.92

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Cambodia

Consumption of electricity (MWh)

272.56

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

272.56

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Canada

Consumption of electricity (MWh)

715.73

Consumption of heat, steam, and cooling (MWh)

Λ

Total non-fuel energy consumption (MWh) [Auto-calculated]

715.73

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Chile

Consumption of electricity (MWh)

253.4

Consumption of heat, steam, and cooling (MWh)

U

Total non-fuel energy consumption (MWh) [Auto-calculated]

253.4

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

China

Consumption of electricity (MWh)

183005

Consumption of heat, steam, and cooling (MWh)

22324

Total non-fuel energy consumption (MWh) [Auto-calculated]

205329

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Colombia

Consumption of electricity (MWh)

441.9

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

441.9

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Czechia

Consumption of electricity (MWh)

267.65

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

267.65

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Denmark

Consumption of electricity (MWh)

126.63

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Dominican Republic

Consumption of electricity (MWh)

864.71

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Egypt

Consumption of electricity (MWh)

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Finland

Consumption of electricity (MWh)

1.63

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

1.63

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

France

Consumption of electricity (MWh)

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

16562.69

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Germany

Consumption of electricity (MWh)

7367.54

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Honduras

Consumption of electricity (MWh)

9332.83

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9332.83

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hong Kong SAR, China

Consumption of electricity (MWh)

8426.7

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

8426.7

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

India

Consumption of electricity (MWh)

14825.79

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

14825 79

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Indonesia

Consumption of electricity (MWh)

2947.56

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2947.56

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ireland

Consumption of electricity (MWh)

1865.34

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1865.34

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Israel

Consumption of electricity (MWh)

9876.99

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9876.99

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Italy

Consumption of electricity (MWh)

7240 46

Consumption of heat, steam, and cooling (MWh)

Λ

Total non-fuel energy consumption (MWh) [Auto-calculated]

7240 46

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Japan

Consumption of electricity (MWh)

286.95

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

286.95

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Kenya

Consumption of electricity (MWh)

59 08

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

59.08

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Luxembourg

Consumption of electricity (MWh)

26678

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

26678

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Malaysia

Consumption of electricity (MWh)

19527.8

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

19527.8

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Mauritius

Consumption of electricity (MWh)

46.93

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

46.93

Is this consumption excluded from your RE100 commitment?

#### Country/area

Mexico

Consumption of electricity (MWh)

10949 43

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

10949.43

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Netherlands

Consumption of electricity (MWh)

4202

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4202

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

New Zealand

Consumption of electricity (MWh)

177.1

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

177.

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Norway

Consumption of electricity (MWh)

2603.54

Consumption of heat, steam, and cooling (MWh)

U

Total non-fuel energy consumption (MWh) [Auto-calculated]

2603.54

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Pakistan

Consumption of electricity (MWh)

1099.51

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1099.51

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Peru

Consumption of electricity (MWh)

42

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

#### Is this consumption excluded from your RE100 commitment? <Not Applicable>

#### Country/area

Poland

#### Consumption of electricity (MWh)

766.72

#### Consumption of heat, steam, and cooling (MWh)

0

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

766 72

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Romania

#### Consumption of electricity (MWh)

672.4

#### Consumption of heat, steam, and cooling (MWh)

-

# Total non-fuel energy consumption (MWh) [Auto-calculated]

672.4

## Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Singapore

#### Consumption of electricity (MWh)

377.01

#### Consumption of heat, steam, and cooling (MWh)

0

# Total non-fuel energy consumption (MWh) [Auto-calculated]

377.01

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

South Africa

# Consumption of electricity (MWh)

1079.36

# Consumption of heat, steam, and cooling (MWh) 0

## Total non-fuel energy consumption (MWh) [Auto-calculated]

1079.36

## Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Republic of Korea

# Consumption of electricity (MWh)

6636.52

# Consumption of heat, steam, and cooling (MWh)

0

## Total non-fuel energy consumption (MWh) [Auto-calculated]

6636.52

# Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Spain

# Consumption of electricity (MWh)

527.59

## Consumption of heat, steam, and cooling (MWh)

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

527 59

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Sri Lanka

#### Consumption of electricity (MWh)

3969.31

#### Consumption of heat, steam, and cooling (MWh)

n

## Total non-fuel energy consumption (MWh) [Auto-calculated]

3969 31

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Switzerland

#### Consumption of electricity (MWh)

3247.08

#### Consumption of heat, steam, and cooling (MWh)

0

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

3247.08

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Taiwan, China

#### Consumption of electricity (MWh)

359.11

# Consumption of heat, steam, and cooling (MWh)

# Total non-fuel energy consumption (MWh) [Auto-calculated]

359.11

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

## Country/area

Thailand

#### Consumption of electricity (MWh)

7246.83

#### Consumption of heat, steam, and cooling (MWh)

0

# Total non-fuel energy consumption (MWh) [Auto-calculated]

7246.83

# Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

Turkey

## Consumption of electricity (MWh)

6262.33

## Consumption of heat, steam, and cooling (MWh)

0

## Total non-fuel energy consumption (MWh) [Auto-calculated]

6262.33

## Is this consumption excluded from your RE100 commitment?

<Not Applicable>

# Country/area

United Arab Emirates

Consumption of electricity (MWh)

#### Consumption of heat, steam, and cooling (MWh)

0

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

784.26

#### Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

United Kingdom of Great Britain and Northern Ireland

#### Consumption of electricity (MWh)

9498.25

#### Consumption of heat, steam, and cooling (MWh)

n

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

9498 25

## Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

United States of America

## Consumption of electricity (MWh)

167252.28

#### Consumption of heat, steam, and cooling (MWh)

Λ

#### Total non-fuel energy consumption (MWh) [Auto-calculated]

167252.28

# Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### Country/area

Viet Nam

# Consumption of electricity (MWh)

24726

# Consumption of heat, steam, and cooling (MWh)

\_

# Total non-fuel energy consumption (MWh) [Auto-calculated]

24726

# Is this consumption excluded from your RE100 commitment?

<Not Applicable>

#### C9. Additional metrics

## C9.1

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

#### Description

Waste

#### Metric value

95

#### **Metric numerator**

Percentage of waste diverted from landfill

#### Metric denominator (intensity metric only)

#### % change from previous year

1

#### **Direction of change**

Increased

#### Please explain

Our goal is to have our operations be 95% landfill-free by 2030, with a minimum of 80% of our waste recycled and the remainder reused, composted, or sent to energy recovery. This builds on our 2025 goal of having 75% of our waste reused, repurposed, or recycled. Because the waste streams at our facilities differ, each site sets waste reduction goals based on its waste generation, which in turn support corporate and divisional goals.

#### C10. Verification

#### C10.1

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

|  | Verification/assurance status                          |
|--|--|
| Scope 1                                  | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3                                  | Third-party verification or assurance process in place |

#### C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

## Verification or assurance cycle in place

Annual process

#### Status in the current reporting year

Complete

## Type of verification or assurance

Limited assurance

## Attach the statement

Verification Statement\_CY2021.pdf

Cameron-Cole Verification Report\_Avery\_Dennison\_CY2021\_updated.pdf

## Page/ section reference

Pages 1 to 3

## Relevant standard

ISO14064-3

#### Proportion of reported emissions verified (%)

100

#### C10.1b

#### (C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

#### Scope 2 approach

Scope 2 market-based

#### Verification or assurance cycle in place

Annual process

#### Status in the current reporting year

Complete

#### Type of verification or assurance

Limited assurance

#### Attach the statement

Verification Statement\_CY2021.pdf

Cameron-Cole Verification Report\_Avery\_Dennison\_CY2021\_updated.pdf

#### Page/ section reference

Pages 1 to 3

#### Relevant standard

ISO14064-3

#### Proportion of reported emissions verified (%)

100

#### Scope 2 approach

Scope 2 location-based

#### Verification or assurance cycle in place

Annual process

#### Status in the current reporting year

Complete

#### Type of verification or assurance

Limited assurance

#### Attach the statement

#### Page/ section reference

Pages 1 to 3

#### Relevant standard

ISO14064-3

#### Proportion of reported emissions verified (%)

100

# C10.1c

#### (C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

#### Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Business travel

#### Verification or assurance cycle in place

Annual process

#### Status in the current reporting year

Complete

## Type of verification or assurance

Limited assurance

#### Attach the statement

Verification Statement\_CY2021.pdf

Cameron-Cole Verification Report\_Avery\_Dennison\_CY2021\_updated.pdf

## Page/section reference

Pages 1 to 3

#### Relevant standard

ISO14064-3

#### Proportion of reported emissions verified (%)

100

## C10.2

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

#### C11. Carbon pricing

## C11.1

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

#### C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

#### C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

#### C12. Engagement

## C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

#### C12.1a

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

#### Type of engagement

Information collection (understanding supplier behavior)

#### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

#### % of suppliers by number

19

#### % total procurement spend (direct and indirect)

83

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

#### Rationale for the coverage of your engagement

Avery Dennison assesses, at a minimum, 80% of our LGM business' direct spend through the EcoVadis assessment program, which includes an evaluation of environmental impact and policies. We use the EcoVadis platform to encourage suppliers to be assessed and improve on scores year over year. In 2020, we set a new target to reduce our 2018 baseline Scope 3 emissions by 30% by 2030 and an ambition of net zero by 2050. We are partnering with CDP Supply Chain and EcoVadis to collect energy and emissions-related data from our key suppliers in order to partner with them to achieve our target.

#### Impact of engagement, including measures of success

Avery Dennison uses the information collected to inform our strategy to meet our goal to, by 2030, reduce Scope 3 emissions by 30%. To understand opportunities for reducing our carbon footprint, we use a lifecycle analysis tool we developed for the materials we source. Our analysis has shown that making significant reductions in our Scope 3 emissions requires us to substantially reduce the volumes of materials we purchase while simultaneously switching to materials with a reduced carbon footprint. Our business units have begun making these adjustments, and, at the enterprise level, we are analyzing how to re-engineer and reduce material usage while maintaining or improving product quality. In partnership with Carbon Trust, we are working to create a tool that will enable us to capture our holistic carbon picture. This tool will provide specific carbon emissions information for our products based on their region of production, raw material sourcing, and different end-of-life scenarios. We plan to fully launch this tool in 2022. Avery Dennison measures the success of this engagement through our Scope 3 emissions and progress towards achieving our Scope 3 emissions target.

#### Comment

#### C12.1d

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

Avery Dennison considers the climate impact of waste generated from our products downstream in the supply chain. In-process waste is generated at the next two levels in the value chain and has a negative climate impact. Challenges in recycling include the fragmented locations of the waste and finding local recycling solutions. We have engaged other value chain members (suppliers, competitors, customers and industry experts and partners), which has resulted in an ad hoc consortium focused on combining all current routes of recycling and creating industry solutions to support recycling where there are existing gaps. The consortium, Circular Economy for Labels (CELAB), has been established for North America and Europe with plans to expand to Latin America and Asia Pacific in the future, with the goal to recycle this waste globally and advance down the path to circularity. CELAB seeks to accelerate matrix and liner recycling industry-wide, which aligns with our sustainability commitments, including 2025 targets to ensure operations will be 95 percent landfill-free, to repurpose 75 percent of waste and to help customers reduce waste from our products by 70 percent.

Our work to help form CELAB is part of stepped-up global actions by Avery Dennison to advance circular approaches globally to matrix and liner recycling through the AD Circular Program, which helps other value chain partners recycle used paper and filmic label liners in countries across Europe. We created AD Circular for brands and other label users—anyone who applies labels to packaging and has leftover label liners. Other value chain partners in Belgium, Denmark, France, Germany, Netherlands, Poland, Sweden, Spain and the United Kingdom can register for AD Circular. We plan to enable registration in other countries in the near future.

#### C12.2

#### (C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

# C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

#### Climate-related requirement

Climate-related disclosure through a non-public platform

#### Description of this climate related requirement

Within our LGM and IHM businesses, we use EcoVadis to conduct annual environmental, social and ethical performance of top-tier suppliers. The assessment produces an overall rating for each supplier, as well as a performance rating within the categories of Environment, Sustainable Procurement, Labor & Human Rights and Ethics. The report also highlights opportunities for improvement and includes news alerts with any emerging controversies.

For RBIS, suppliers must provide climate data to Avery Dennison as laid out in our RBIS Responsible Sourcing Policy.

% suppliers by procurement spend that have to comply with this climate-related requirement

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

#### C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

#### C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

#### Management practice reference number

MP1

#### Management practice

Practices to increase wood production and forest productivity

#### **Description of management practice**

Avery Dennison works directly with suppliers under a variety of frameworks to encourage certification of sustainable raw materials, thus encouraging practices to increase wood production and forest productivity.

# Your role in the implementation

Knowledge sharing

#### Explanation of how you encourage implementation

We offer training and educational opportunities to align suppliers with FSC Chain of Custody, FSC Controlled Wood, FSC Recycled, and PEFC Sustainable Forest Management.

#### Climate change related benefit

Increasing resilience to climate change (adaptation)

#### Comment

Yes, we use an external auditor, RainForest Alliance (RFA) to validate the geographical locations from which timber has been sourced, and the percentage of material that comes from certified or FSC sources. The annual audit is the verification standard to ensure that the progress to our goal - 100% certified paper of which 70% is FSC certified - is met.

#### C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b)C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

## C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

#### Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

The processes Avery Dennison has in place to ensure all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy are
two-fold:

1) We track new and proposed climate change legislation through our engagement with trade associations and our sustainability organizations.

2) We review these regulations and engagements quarterly with those responsible for our sustainability efforts and make recommendations to ensure alignment with our Climate Change strategy.

Furthermore, our Climate Policy describes our strategy oversight and response to climate-related issues within our organization and throughout our value chain. https://www.averydennison.com/content/dam/avery\_dennison/corporate/global/english/documents/sustainability/climate\_policy/AveryDennison\_ClimatePolicy\_August2020.pdf

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate <Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate <Not Applicable>

#### C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

#### Trade association

Other, please specify (Sustainable Apparel Coalition)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Sustainable Apparel Coalition (SAC) goals are outlined in the SAC's Higg Facilities Module that includes, among other things, energy management systems and GHG emissions. The modules' aspirational-level questions give manufacturers clear guidance on hotspots for improvement and outline the current best practices in the field. These tools align with the GHG reduction target promoted by SAC and the apparel industry as a whole.

Avery Dennison has participated in a number of working groups in the SAC. Through this involvement, we are working to influence the position of the SAC and as an extension, its members. We plan to be an industry leader when it comes to disclosure and progress in GHG reduction as the Higg Index is used as a comparison tool. We currently use the HIGG FEM tool for all major RBIS Apparel manufacturing facilities and disclose the information on the HIGG platform.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement? Yes, we have evaluated, and it is aligned

#### Trade association

Other, please specify (Tag and Label Manufacturers Association Label Initiative for the Environment)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Tag and Label Manufacturers Association Label Initiative for the Environment (TLMI) position on climate change is demonstrated through their sustainability subteam. They are focused on recycling for reduced carbon impact of liners and matrix as well as awarding companies with a demonstrated improvement in energy efficiency through partnerships within the value chain.

Avery Dennison chairs the Tag and Label Manufacturers Institute's (TLMI) five Environmental Committees, which bring together experts from TLMI member companies and serve as a reliable source for solutions in a wide range of environmental topics.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

#### Trade association

Other, please specify (The Association of Plastic Recyclers)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Association of Plastic Recyclers undertakes research and takes positions on plastics recycling. In one study, they have found that replacing plastic packaging with adequate non-plastic alternatives will increase greenhouse gas emissions by a factor of 2.2 with maximum decomposition of degradable alternative materials.

Avery Dennison support this position by creating products that enable clean recycling of plastics (PET and HDPE) which can offset the extraction of new materials. This promotes plastic options as the less carbon intensive options for packaging.

As a member of the Association of Plastic Recyclers' (APR) Board of Directors, Technical Committee and Communications Committee, we recently helped APR revise their design guidelines for recyclable plastic.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

#### Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement? Yes, we have evaluated, and it is aligned

#### Trade association

Other, please specify (Circular Economy for Labels)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Circular Economy for Labels was created in 2020 to pursue a variety of workstreams that acknowledge the different production processes and recycling capabilities that exist in different markets.

CELAB North America is currently focused on a range of matrix and release liner recycling needs, including analyzing technical issues, promoting the use and creation of recycling networks, interacting with government regulators, and educating the industry and public in different markets.

Avery Dennison chairs the CELAB and helped facilitate the creation of this association to streamline the conversations around recycling technologies.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

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

#### **Publication**

In mainstream reports

#### Status

Complete

#### Attach the document

AD\_2021\_IntegratedSustainability\_Annual Reports\_2022\_ProxyStatement.pdf

#### Page/Section reference

Section I

#### Content elements

Governance

Strategy

Risks & opportunities

Emission targets

#### Comment

The scientific consensus is that the emission of greenhouse gases (GHG) is altering the composition of our atmosphere in ways that are adversely affecting global climate. Concern regarding climate change has led and is likely to continue to lead to increasing demands by legislators and regulators, customers, shareholders and non-governmental organizations for companies such as Avery Dennison to reduce their GHG emissions.

#### Publication

In voluntary communications

#### Status

Complete

#### Attach the document

March 2022 ESG Download.pdf

#### Page/Section reference

ΑII

#### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

#### Comment

The ESG download is available on the Avery Dennison website and includes not only content related to climate but to additional company goals. Additional climate content elements include incentives for management around climate change and waste reduction.

## C13. Other land management impacts

#### C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

No

## C15. Biodiversity

## C15.1

 $(C15.1)\ ls\ there\ board-level\ oversight\ and/or\ executive\ management-level\ responsibility\ for\ biodiversity-related\ issues\ within\ your\ organization?$ 

|     |   | , | Scope of board-level oversight |
|-----|---|---|--------------------------------|
| Row | No, and we do not plan to have both within the next two years | <not applicable=""></not>               | <not applicable=""></not>      |
| 1   |   |   |                                |

#### C15.2

## (C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

|          | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | , · · · · · · · · · · · · · · · · · · ·                                     | Initiatives<br>endorsed   |
|----------|---|---|---------------------------|
| Row<br>1 | Yes, we have made public commitments only   | Other, please specify (Avery Dennison Responsible Paper Procurement Policy) | <not applicable=""></not> |

#### C15.3

#### (C15.3) Does your organization assess the impact of its value chain on biodiversity?

|       | Does your organization assess the impact of its value chain on biodiversity?            | Portfolio                 |
|-------|---|---------------------------|
| Row 1 | No, and we do not plan to assess biodiversity-related impacts within the next two years | <not applicable=""></not> |

#### C15.4

#### (C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

|       | Have you taken any actions in the reporting period to progress your biodiversity-related commitments?                        | Type of action taken to progress biodiversity- related commitments |
|-------|--|--|
| Row 1 | No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years | <not applicable=""></not>  |

#### C15.5

#### (C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

|   |       | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|---|-------|--|---|
| R | low 1 | No, we do not use indicators, but plan to within the next two years        | Please select                                       |

## C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

| Report type                    | Content elements        | Attach the document and indicate where in the document the relevant biodiversity information is located   |
|--------------------------------|-------------------------|---|
| other voluntary communications | policies or commitments | Relevant biodiversity information is located on pg 1-3. We strive to source paper from certified sources. Based on Rainforest Alliance audits of our procurement process, we are using a risk- based approach to biodiversity-related issues. avery-dennison-responsible-paper-policy.pdf |

#### C16. Signoff

## C-FI

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

## C16.1

# (C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

|       | Job title                             | Corresponding job category    |
|-------|---------------------------------------|-------------------------------|
| Row 1 | President and Chief Operating Officer | Chief Operating Officer (COO) |

# SC. Supply chain module

# SC0.0

CDP

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

#### SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

|       | Annual Revenue |
|-------|----------------|
| Row 1 | 8408300000     |

#### SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

#### SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

#### SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

| Allocation challenges   | Please explain what would help you overcome these challenges  |
|---|---|
| Diversity of product lines makes accurately accounting for each product/product line cost ineffective | Avery Dennison is currently evaluating options for an accurate method to allocate emissions to our customers. |
| Customer base is too large and diverse to accurately track emissions to the customer level            | Avery Dennison is currently evaluating options for an accurate method to allocate emissions to our customers. |

#### SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

#### SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Avery Dennison is currently evaluating options for an accurate method to allocate emissions to our customers.

#### SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

## SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

## SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services? No, I am not providing data

#### 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