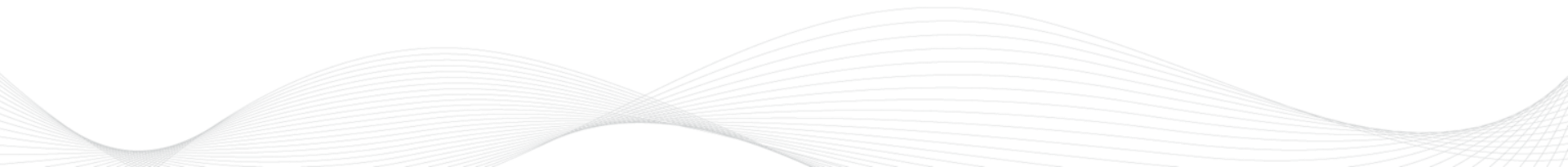




UK Tax Strategy

December 2017



UK Tax Strategy: Company Background

Avery Dennison (NYSE: AVY) is a global leader in pressure-sensitive and functional materials and labeling solutions for the retail apparel market. The company's applications and technologies are an integral part of products used in every major industry. With operations in more than 50 countries and more than 25,000 employees worldwide, Avery Dennison serves customers in the consumer packaging, graphical display, logistics, apparel, industrial and healthcare industries.

At Avery Dennison, we're a force for good embedded in industries and communities worldwide. We're challenging ourselves and others to reach higher and think bigger to improve the quality of all life.

- » Founded in 1935 by R. Stanton Avery, the pioneer of the self-adhesive label
- » Headquartered in Glendale, California with over 170 manufacturing and distribution facilities in more than 50 countries and product sales worldwide
- » 2016 sales from continuing operations of \$6.1 billion
- » Number 430 on the 2016 Fortune 500® list of the largest U.S. industrial and service companies

KEY BUSINESSES: Label and Graphic Materials; Retail Branding and Information Solutions; Industrial and Healthcare Materials

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Our UK Tax Strategy

This statement is made to satisfy the UK requirements of Schedule 19 Finance Act 2016 as is relevant to our UK resident companies.

This tax strategy is part undertaken in accordance with our overall code of conduct.



UK Tax Strategy

1. Our approach to tax risk management and governance

- We have a strong control environment around tax compliance and accounting, and seek to monitor and manage our tax risks appropriately.
- We maintain internal policies and procedures to support our tax control framework.
- The ultimate responsibility for UK tax compliance rests at the UK Board level and the Chief Financial Officers of our UK businesses. In addition, the EMEA Senior Tax Director based in Oegstgeest, Holland and the Vice President of Tax based in Glendale, California with their respective tax teams support the UK Board in ensuring compliance in all UK tax matters.

2. Our attitude towards tax planning

- We engage in tax planning aligned with our commercial business activities and in compliance with UK tax rules and regulations.
- We do not engage in artificial tax arrangements that lack economic substance, rather we evaluate potential business transactions with consideration of tax efficiency.
- Intercompany transactions are conducted under arm's length principles and in accordance with OECD guidelines

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3. The level of risk in relation to UK taxation that the group is prepared to accept

- We operate a framework to ensure compliance with tax laws and regulations, and as part of that framework we seek to mitigate our UK tax risks by actively engaging with HMRC when requested on key tax matters.
- We ensure that we are compliant and understand our responsibilities with regards to UK taxes through advice from professional advisors as required.

4. Our approach to dealings with HMRC

- We engage with tax authorities, including HMRC, with transparency, honesty, integrity, respect and fairness and will respond to information requests from HMRC in a timely manner and provide access to all relevant information.

