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## **Avery Dennison Responsible Paper Procurement Policy**

Avery Dennison is committed to operating our business in a responsible manner and making it easier for our customers, supply chain partners, and employees to make a difference for the environment and the communities in which they live and work. As a significant stakeholder in the supply-chain of pulp and paper products, we recognize our important role and opportunity in promoting and providing sustainable paper products. This responsible paper procurement policy reflects our values and commitment to the sustainability of the paper products we source, manufacture, and use.

We are uniquely positioned in the value chain to collaborate with business partners in reducing our environmental impacts. We are committed to understanding and managing, to the degree to which we are able, the key environmental performance characteristics of our paper products from sourcing and manufacturing, to the end-use and recovery of our products. We employ a science-based life cycle perspective of paper products to provide the foundation for this policy and its commitments.

### **Guiding Principles:**

#### **1. Evaluate and reward good environmental performance of our supply-chain partners**

Avery Dennison is committed to influencing our supply chain where we have direct decision-making capability and working with our supply chain to ensure responsible practices where we do not have direct decision-making capability.

We give preference to suppliers that demonstrate a commitment to environmental innovation and continuous improvement, have certified their environmental management systems, and use pulping and papermaking technologies that minimize effluent and emissions. As part of our supplier evaluation process, we will request information about mill-specific operations and practices.

We will ask suppliers of paper products to periodically report the environmental performance of their mills or the mills from which they purchase paper. Suppliers will report using a standardized format that allows us to make fair performance comparisons among mills.

#### **2. Avoid controversial fiber sources and increase certified/recycled sources**

Avery Dennison recognizes the most pressing social and environmental issues related to wood and paper sourcing – such as illegal logging and forest degradation - and aims to use only paper and packaging materials made of wood fiber harvested under conditions that promote social and environmental responsibility and stewardship.

We will achieve this aim by procuring paper products made only from non-controversial sources of virgin wood fiber. Furthermore, we will expand and promote the use of recycled paper materials. This is a long-term aspiration and we will prioritize our efforts to have the greatest impact in the shortest period of time.

## **Paper Procurement Policy:**

Avery Dennison is implementing a step-wise process to progressively reduce the percentage of wood fiber used in our paper that could be sourced from controversial sources by committing to:

1. Avoid fiber from high-risk areas that engage in controversial sourcing practices, by working toward ensuring that:
  - a) Fiber source origin is known and traceable,
  - b) Fiber is harvested in compliance with applicable laws and regulations,
  - c) Fiber is not harvested in violation of internationally accepted guidelines and treaties to protect human rights of indigenous peoples,
  - d) Fiber is not originating from locations identified as containing high conservation value forests, and
  - e) Fiber source not originating from areas with natural forest conversion rate above 0.5%/year for the purposes of timber production plantations or for other non-forest uses.
2. Increase the use of wood/fiber that has been certified by a credible third-party forest certification scheme (for virgin and recycled) with preference for Forest Stewardship Council (FSC) Certified material where market conditions and good business practices allow. Where conditions do not support sourcing of FSC-certified product, other industry-recognized forest certification standards will be accepted. We will survey our paper product suppliers to confirm the proper source of fiber.
3. In addition, we will strive to maximize post-consumer recycled content where possible, while maintaining product integrity and performance specifications.

Avery Dennison will work with our supply chain partners as we implement this policy to:

- Develop verifiable processes and systems to support this work, which will include asking suppliers to report sourcing and environmental performance information and provide documentation to demonstrate conformance on an annual basis;
- Understand the full chain of custody to ensure that wood fiber-based paper materials are only sourced from responsibly managed forests and/or recycled sources;
- Engage external forest products supply chain experts;
- Focus on areas of highest perceived shared value;
- Exclude wood/fiber from sources that do not comply with this policy; and
- Publish progress toward meeting our commitments.

We will review our policy and commitments on a regular basis to ensure they reflect the state of the industry and are based on the best available scientific evidence to help minimize the environmental and social impacts of our paper sourcing decisions across the entire paper lifecycle.

## Definitions:

1. Wood fiber – refers to paper, wood and wood-based materials and includes all products and product packaging composed of any grade of paper or wood, including coated and uncoated paperboard, kraft paper and corrugated cardboard.
2. Recycled material – Material that demonstrably would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and reclaimed as input material, in lieu of virgin material, for re-use, recycling, re-milling in a manufacturing process.
3. Responsibly managed forests – forests managed in an environmentally responsible, socially beneficial and economically viable manner to assure fiber does not originate from controversial sources.
4. Paper and packaging materials – materials including but not limited to packaging, copy paper, marketing materials and publications.
5. Credible forest certification scheme – a program that certifies that forests have been independently assessed as being managed in an environmentally responsible, socially beneficial and economically viable manner. The independent certification process requires that standard setting, accreditation, and auditing all be performed by different independent bodies.
6. Wood that has been harvested in accordance with applicable laws and regulations - laws applicable to harvesting in that location or jurisdiction including the acquisition of the harvesting rights from the rightful owner; the harvesting methods used and the payment of all relevant fees and royalties.
7. High Conservation Value Forests - Forests that have one or more of the following attributes:
  - a) forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;
  - b) forest areas that are in or contain rare, threatened or endangered ecosystems;
  - c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control);
  - d) forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance) identified in cooperation with such local communities.
8. Indigenous peoples - "The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social, economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other

segments of the population which are predominant." (Working definition adopted by the UN Working Group on Indigenous Peoples)

9. Civil rights - Right or rights belonging to a person by reason of citizenship. The rights that every person in a society has, for example to be treated equally, to be able to vote, work, etc.
10. Traditional rights - Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. These are also known as customary rights. (FSC Principles and Criteria, February 2000)