ESG Download

Avery Dennison ESG Reporting

March 2023

AVERY DENNISON

From Our Leadership

Our team at Avery Dennison once again delivered impressive results in 2022 in the face of an extremely challenging environment. We continue to make significant advancements toward our long-term environmental, social and governance (ESG) goals.

Sustainability is integral to our success
Sustainability is core to our strategy and our culture as we focus on the long-term health of our business, communities and planet. We are committed to using our resources, our deep operational experience and our most innovative ideas to drive better outcomes for our industries, our customers, our team and our world. Last year, we continued to make progress in mitigating our own carbon footprint and in developing solutions that enable our customers worldwide to lower theirs. We are on track to achieve our 2025 sustainability goals, and have accelerated our plans to deliver our 2030 goals.

Supporting our people and communities worldwide
The Avery Dennison Foundation (ADF) represents an important part of our commitment to our communities. Our recent grants are helping communities educate their children, offer life skills and health programs for at-risk women and girls, and provide many other areas of support. Our diversity, equity and inclusion programs also play a key role, ensuring that every employee has a voice, the opportunity to contribute and the room to grow and develop.

> **Last year, we continued to make progress in mitigating our own carbon footprint and in developing solutions that enable our customers worldwide to lower theirs.**

Advancing ESG governance and transparency
Governance and transparent communication of our material topics and progress are key elements of our ESG program. We updated our materiality assessment in 2022 to reflect the topics that have the greatest impact on our business and the industries we serve. We also expanded the data that we share externally and changed the order in which we present our data to more closely align with our goals. Our ESG download is the primary source of data on our ESG progress.

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

Deon Stander
President & COO

Materials Group

Our Materials Group (label materials, graphic and reflective materials, and functional bonding materials such as tapes), which represented 72% of 2022 total sales, is an industry-leading provider to the pressure-sensitive label and graphics industries worldwide. Our label materials enhance shelf appeal for brands, inform shoppers and improve operational supply chain efficiency. Our graphics solutions include a comprehensive portfolio of highly engineered materials that range from vehicle wraps to architectural products.

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

Solutions Group

Our Solutions Group, which represented 28% of 2022 total sales, is an industry-leading provider of radio frequency identification (RFID) solutions, branding and embellishment solutions, data management and identification solutions, and pricing and productivity solutions. Its business provides physical and digital labeling to the global apparel, food and general retail industries. The products and technology optimize customers' on-product branding and engagement with consumers, and enable item visibility and traceability throughout a product's lifecycle.

As the largest ultra-high frequency RFID solutions provider, we leverage our data management capabilities, global supply chain and market access in the ongoing advancement of our Intelligent Labels platform. We enable customers across multiple retail and industrial segments to bridge the physical and digital worlds for greater supply chain visibility, improved inventory accuracy, increased automation and labor efficiency, reduced waste and an enhanced consumer experience.

About This Report

Standards

The Sustainability Accounting Standards Board (SASB) categorizes Avery Dennison within the primary industry of Containers & Packaging under its Sustainable Industry Classification System (SICS). SASB also categorizes Avery Dennison within secondary industries of Apparel, Accessories & Footwear and Chemicals. Avery Dennison reports relevant indicators across all three of these sector standards.

Definitions

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

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

Scope

Unless specifically stated, all 2022 data reported in this download covers acquired businesses owned for a full calendar year. Acquisitions made after the close of the 2022 fiscal year are excluded. In some cases, historic metrics were recalculated to include acquisitions as necessary for our goals, and those instances are specifically noted.

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

Further discussion of our sustainability initiatives and progress against our sustainability goals can be found in our 2022 Integrated Report.

Certain prior-year energy, emissions and paper data has been third-party verified. Verification information is available in our CDP Climate and Forest disclosures. All other data is unaudited.

Materiality

In 2022, Avery Dennison completed a significant update to our materiality assessment, which entailed updating the mapping of our sustainability and ESG priorities throughout our value chain. Our comprehensive process included interviews to collect feedback from internal and external stakeholders such as non-governmental organizations (NGOs), customers and partners, as well as industry analysis. There are many topics material to our business when looking at importance to external stakeholders and impact on our business success, including core, table stakes topics and key business and partner differentiators. However, those topics that were ranked highest in our updated assessment represent those that offer the most strategic, value-creation opportunities, as listed below.

Most Material Topics in 2022

1

Transition to a Circular Economy

2

Advanced Technologies & Innovation

3

Climate Change

4

GHG Emissions & Reductions

5

Supply Chain

6

Fair & Inclusive Workplace

7

Materials Management

8

Operational Waste

Material Topic Definitions

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

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

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

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

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

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

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

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

Avery Dennison Sustainability Goals

Avery Dennison generally sets sustainability goals every five years, aligned with how we set our financial goals. Our 2025 goals represented our first comprehensive sustainability goal set, and we've made great progress toward achieving them. In 2021, we announced our 2030 sustainability goals, which are a reflection of our business today and in the future. In our 2030 goals, we more closely align with external principles and take the next steps in our ambitious sustainability journey. While our 2030 and 2025 goals follow similar key performance indicators (KPIs), there are some key differences between the two, as described below:

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

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

Certified Paper
Both our 2025 and 2030 goals aim to achieve 100% certified paper. Our 2030 goals are further enhanced with a focus on deforestation-free sourcing. In 2022, we defined "deforestation-free" and in 2023 we will begin measuring our progress.

Waste and Recycling
Our 2025 and 2030 goals for waste management differ slightly in that our 2030 goal does not include incineration without energy recovery as "landfill free." While only a small percentage of our waste is treated in that way, we think this makes our 2030 goal a stronger step toward more sustainable waste reduction.
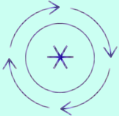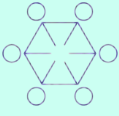
Water Management
Introduced in our 2030 goals, our water efficiency goal is intended to help drive reduction in water usage across our business. In addition to this efficiency effort, we are looking to our value chain, where we recognize more water use and water risks exist than in our own operations.

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

Progress Toward 2025 Goals

2025 Goals		Baseline (2015)	2022 Results
	70% of revenues from sustainability-driven products		**63%** Materials Group (Label and Graphic Materials only) **62%** Solutions Group (Apparel Solutions only)
	3% absolute greenhouse gas (GHG) reduction every year (26% cumulative by 2025)*		**54%** cumulative GHG emissions reduction*
	100% certified paper 70% Forest Stewardship Council (FSC)-certified face paper	**45%** FSC-certified	**94%** certified **81%** FSC-certified
	95% landfill-free 75% waste recycled	**90%** landfill-free **55%** recycled	**93%** landfill-free** **64%** recycled**
	70% of films we buy conform to, or enable end products to conform to, our environmental and social guiding principles 70% of chemicals we buy conform to, or enable end products to conform to, our environmental and social guiding principles		**97%** of films **96%** of chemicals
	40% women in manager level and above	**32%**	**36%**
	Maintain world-class safety and employee engagement scores	**0.31** recordable incident rate (RIR) **80%** engagement	**0.23** RIR **84.5%** engagement
	Publicly commit to goals/report progress		

*GHG baseline and actual data are from Q3 year-to-date (YTD) comparisons (Q3 2015 to Q3 2022).
**2022 waste and recycling data are through Q3 YTD.

Progress Toward 2030 Goals

2030 Goals		Baseline (2015)	2022 Results
Deliver innovations that advance the circular economy	Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions.		
	Solutions Group 100% of our core product categories (printed fabric labels, woven labels, paper, interior heat-transfer labels, packaging and RFID) will meet our third-party verified Sustainable ADvantage™ standard.	--	**69%** (Apparel Solutions only)
	Materials Group 100% of our standard label products will contain recycled or renewable content. All of our regions will have labels that enable circularity of plastics.	--	**~60%** (volume basis)
Reduce our environmental impact in our operations and supply chain	Reduce our scope 1 and 2 GHG emissions by 70% from our 2015 baseline. Work with our supply chain to reduce our 2018 baseline scope 3 GHG emissions by 30%**, with an ambition of net zero by 2050.	--	**54%** scope 1 and 2* scope 3 tracking under development
	Source 100% of paper fiber from certified sources focused on a deforestation-free future.	**45%** FSC-certified	**94%** certified
	Divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled and the remainder either reused, composted or sent to energy recovery.	**84%** landfill-free **55%** recycled	**89%** landfill-free* **64%** recycled*
	Deliver a 15% increase in water efficiency at our sites that are located in high or extremely high-risk countries as identified in the World Resources Institute (WRI) Aqueduct Tool.	--	**12%**
Make a positive social impact by enhancing the livelihood of our people and communities	Foster an engaged team and an inclusive workplace: • Inclusion index: 85% • Employee engagement: 82% • Females in manager level or above positions: 40% • Safety: 0.2 RIR	-- **80%** **32%** **0.31 RIR**	**85%** **84.5%** **36%** **0.23 RIR**
	Support the participation of our employees in Avery Dennison Foundation grants and foster the well-being of the communities in which we and our supply chain operate.	--	**68%** of countries in which we operate received a grant

*GHG and waste data are through 2022 Q3 YTD, with corresponding Q3 YTD baselines.
**Our 30% reduction by 2030 goal covers our purchased goods and services (GHGP category 1) and end-of-life treatment of sold products (GHGP category 12), as aligned with our SBTi target.

Circularity and Sustainable Products

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

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

2030 Goal Alignment:
Goal 1 is to deliver innovations that advance the circular economy; Goal 2 is to reduce our environmental impact in our operations and supply chain, including a target to source 100% of paper fiber from certified sources focused on a deforestation-free future.

2022 Material Topic Alignment:
Transition to circular economy, advanced technologies & innovation, climate change, GHG emissions & reductions, materials management, supply chain

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Supply Chain Management							
FSC-certified paper percentage 1) Face only 2) All paper			1) 83% 2) 51%	1) 81% 2) 55%	1) 81% 2) 56%	Our 2025 goal is to procure 100% of the paper we purchase from certified sources, with 70% of that FSC-certified. In 2022, 81% of the face paper and 56% of the total paper we sourced was FSC-certified.	
Percentage of total volume paper from certified sources	RT-CP-430a.1		92%	91%	94%	Our 2030 sustainability goals include sourcing 100% paper fiber from certified sources focused on a deforestation-free future. We disclose the percentage of purchased paper that is certified and the total volume of paper purchased in metric tons in our annual CDP reporting. Our historical data to date has been audited by Rainforest Alliance. Third-party auditing of our 2022 data will be completed in Q1 2023.	CDP Forests Response
Policy regarding the purchase of wood and/or wood-based products from sustainable sources						As a significant stakeholder in the supply chain of pulp and paper products, we recognize our role in promoting and providing sustainable and socially responsible paper products, specifically influencing our business partners to not contribute to deforestation, and making sourcing decisions that promote and support biodiversity. This responsible paper procurement policy reflects our values and commitment to the sustainability and societal aspects of the paper products we source, manufacture and use. Our 2030 goal is to source 100% of paper fiber from certified sources focused on a deforestation-free future.	Responsible Paper Procurement Policy
Obtained any of the following chain of custody certifications for wood or wood-based products/materials: FSC, PEFC, SFI						We are FSC-certified but accept supplier certifications from FSC, the Program for Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI, for North America only) as certification of responsibly sourced raw materials.	
Total wood fiber procured, percentage from certified sources	RT-CP-430a.1					We do not procure wood fibers directly. Our annual reporting and this disclosure document provide information on certified sources of paper, as does our CDP reporting.	CDP Forests Response

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Supply Chain Management							
Total aluminum purchased, percentage of aluminum purchased from certified sources	RT-CP-430a.2		870 39%	1,169 44%	1,575 68%	We procure a small amount of aluminum directly. In 2022, 68% (1,076 tons) of the aluminum we procured was from sources certified by the Aluminum Stewardship Initiative, or an equivalent standard. Unit of measure is tons.	
Number of 1) Tier 1 suppliers Number of 2) suppliers beyond Tier 1	CG-AA-000.A (Activity metric)					Our Solutions Group joined the Sustainable Apparel Coalition (SAC) in 2012 as the first solutions provider in the network. Based on SAC criteria, we consider our manufacturing facilities to be Tier 1 factories. In 2021, we joined the Brand Retail Model (BRM) Strategic Council. Our Solutions Group does not directly use the BRM, as it is not a producer of finished manufactured goods. For 2022, our Solutions Group operated in 39 manufacturing, distribution or fast response unit locations and used 204 outsource suppliers across our global manufacturing base.	
Environmental Impacts in the Supply Chain							
Percentage of 1) Tier 1 supplier facilities, and 2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's HIGG FEM assessment or an equivalent environmental data assessment.	CG-AA-430a.2		1) 61%	1) 64%	1) 70%	In 2022, Solution Group's Apparel Solutions business conducted 23 HIGG Facility Environmental Module (FEM) audits, which validated 2021 data, covering 70% of its manufacturing facilities. Apparel Solutions is piloting the use of HIGG FEM audits with key outsource suppliers. There were 19 key outsource suppliers that completed HIGG FEM self-assessments in 2022.	

*Our historic "total aluminum purchased" values have been updated to report the total amount purchased rather than the total amount certified, aligning with the SASB standard.

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Labor Impacts in the Supply Chain							
Percentage of 1) Tier 1 supplier facilities that have been audited to a labor code of conduct 2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct 3) Percentage of total audits conducted by a third-party auditor	CG-AA-430b.1		1) 83% 2) 66% 3) 100%	1) 79% 2) 56% 3) 100%	1) 100% 2) 100% 3) 98%	In 2022, within Apparel Solutions, a total of 202 social audits were conducted of our own locations. 100% of our Tier 1 suppliers have been audited to a labor code of conduct since 2021. In 2022, within Apparel Solutions, a total of 341 social audits were conducted of our outsource suppliers. 100% of our outsource suppliers have been audited to a labor code of conduct. Within AD Smartrac, a total of 8 social audits were conducted of our own locations, and a total of 3 social audits were conducted of our outsource suppliers in 2022. 98% of these audits were conducted by third-party auditors and 7 validation audits were conducted by our internal team.	
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conducted audits	CG-AA-430b.2					In 2022, Apparel Solutions completed 543 social audits, including 202 at our owned facilities (defined as Tier 1) and 341 at outsource suppliers facilities. An external expert completes each audit, and findings are classified according to their risk and material impact. These classifications range from zero tolerance issues, immediate actions and critical actions. Each finding generates a corrective action plan. All corrective action plans are time bound with clear owners. We have implemented a governance process to ensure the closure of all actions within the time period required by corrective action plans. Specifically for our labor code of conduct audits, we use ICAP standards both at internal sites and outsource suppliers. The non-conformance rate with our labor code of conduct for internal sites is 14% and non-conformance corrective action closure is at 85%. The non-conformance rate with our labor code of conduct for outsource suppliers is 4% and non-conformance corrective action closure is 92%. We have higher criteria for our internal sites, which explains the differences in non-conformance and closure rates between internal sites and suppliers.	

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Labor Impacts in the Supply Chain							
Description of the greatest 1) labor and 2) environmental, health and safety risks in the supply chain	CG-AA-430b.3					Through our supplier audits, we've found the greatest risks are related to working hours, occupational health and safety, and documentation regarding environmental assessments and certifications. When we find violations, they are promptly addressed through our remediation processes. As part of our due diligence, we assessed our operations and supply chain. We identified the salient labor right risks and impacts in the supply chain, such as modern slavery and discrimination, which occur downstream where we don't have direct commercial relationships and our leverage is often more limited. We are developing plans to mitigate the risks in our supply chain through, among other things, standards and policy optimization, monitoring enhancement and continuous improvement.	
Product Lifecycle Management							
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3					Launched in 2021, Sustainable ADvantage enables our customers to reduce their environmental footprint, satisfy consumer demand, increase recyclability and respond to government regulations. As a showcase of our mission to build toward regeneration, Sustainable ADvantage enables circularity, improves environmental performance and facilitates transparency across our entire supply chain.	[Sustainable ADvantage](#)
Reductions in energy requirements of products and services		302-5				We develop products with sustainability in mind, from the materials we use, to how they're constructed or recycled at end-of-life. For example, increasing the recycled content of a product or reengineering its composition to reduce the amount of material needed could enable less energy use in its production.	
Revenue from products that are reusable, recyclable and/or compostable; or products designed for use-phase resource efficiency	RT-CP-410a.2	301-2	Materials: $2.1B Solutions: $0.7B	Materials: $2.8B Solutions: $0.9B	Materials: $3.7B Solutions: $1.03B	In July 2021, we launched our Sustainable ADvantage portfolio of sustainability-oriented products, which replaced our previously named ClearIntent products. In 2022, 63% of our Materials Group revenues (Label and Graphic Materials only) and 62% of our Solutions Group revenues (Apparel Solutions only) were from products that meet our Sustainable ADvantage standard.	[Sustainable ADvantage](#)

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Product Safety							
Strategy to 1) manage chemicals of concern and 2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2					We implemented restricted substance list (RSL) programs both company-wide and tailored to our businesses. These programs list chemicals of concern identified by governments, NGOs and customers that are banned or restricted depending on risk. In addition, we maintain a watch list of chemicals that must undergo a rigorous alternatives assessment and be approved by a committee of technical leaders prior to their use in new products. We intend to release a new Green Chemistry program in 2023 that will provide improved tools and processes for identifying risks from chemicals in our products and assessing alternatives. Our Solutions Group maintains its own RSL program in both existing and new products. Our Solutions Group RSL program encompasses legal requirements from regulations (REACH, CPSIA, RoHS, Cal Prop 65), apparel industry standards (Oeko-Tex, ZDHC MRSL, AAFA RSL) and customer standards in the apparel and footwear industry. Our Avery Dennison Smartrac (AD Smartrac) business maintains an RSL program relevant to RFID-enabled products. Our Materials Group uses our company-wide RSL, which identifies banned, restricted and watch-list substances. Our banned substances are those that are banned by law or regulation somewhere in the world, while our restricted list allows use in some instances while not in others. We are on track to meet our 2025 sustainability goal of 100% of our products using substances that are not on the banned substance list in our products, even in jurisdictions where it is still allowed.	Solutions Group RSL
Discussion of processes to maintain compliance with restricted substance regulations	CG-AA-250a.1					Our product compliance teams, in each business unit and at the corporate level, monitor regulations and other developments applicable to our products through subscriptions to different government agencies such as EUROPA / CPSC, industry groups, and third-party regulatory and chemical tracking and management service providers. Relevant stakeholders in our company are notified as developments occur so that appropriate actions can be taken.	

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Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Product Safety							
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2					We implemented RSL programs company-wide and within our businesses that identify and restrict chemicals of concern. To assess and manage risks from these chemicals, we work with our suppliers and product development teams to identify and reduce chemicals of concern wherever feasible in our products. We also implemented an assessment and approval process to minimize or avoid chemicals of concern in new products. Our Solutions Group maintains an RSL encompassing additional legal requirements from regulations (REACH, CPSIA, RoHS, Cal Prop 65), industry standards (Oeko-tex, ZDHC MRSL, AAFA RSL, AFIRM RSL) and customer standards in the apparel and footwear industry. Our Solutions Group requires all suppliers to certify that the materials they supply to us meet the Solutions Group RSL requirements. Our Solutions Group conducts over 2,200 tests of raw materials and products to confirm compliance with its RSL. AD Smartrac also maintains an RSL relevant to RFID-enabled products to identify and restrict chemicals of concern. Our Materials Group uses our company-wide RSL.	Solutions Group RSL
Number of recalls issued Totals units recalled	RT-CP-250a.1		0 0	0 0	0 0	We issued no product recalls in 2022.*	
Discussion of process to identify and manage emerging materials and chemicals of concern	RT-CP-250a.2					We implemented a Regulatory Early Warning System that uses a comprehensive approach to identify and track developments globally in product and chemical regulations, safety and environmental impacts. This system tracks developments regarding emerging and ongoing chemicals of concern and their use in products and manufacturing, as well as notification to relevant stakeholders in our company to allow early and effective response and management of issues.	

*Defined as products that were placed on the market in an end-use or consumer application and were recalled because of product or environmental regulatory compliance or product safety issues.

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Raw Material Sourcing							
Amount of production, by substrate	RT-CP-000.A (activity metric)		1) 246 2) 302 3) 131,263	1) 246 2) 333 3) 147,378	1) 240 2) 280 3) 146,358	Production of 1) film and 2) vinyl materials in million square meters. Production of 3) adhesives in metric tons.	
Percentage of production as: paper/wood and plastic	RT-CP-000.B (activity metric)					For our Materials Group reportable segment, raw material costs represented ~55% of net sales in 2022. ~45% of this spend was tied to specialty paper-based materials and ~25% to 30% was tied to plastic films and resins for films that we manufacture ourselves. The majority of the balance was tied to adhesives and other chemicals. 100% of the film and vinyl materials we produce are considered plastics.	
Percentage of raw materials from 1) recycled content, 2) renewable sources and 3) renewable and recycled content	RT-CP-410a.1					Beyond certified paper products, we are working on expanding our purchase of renewable, recycled and bio-based source material. Currently, these materials comprise 63% of Materials Group purchases.*	
Percentage of products by revenue that contain GMOs	RT-CH-410c.1				<1%	Based on information provided by our suppliers, less than 1% of our products contain genetically modified organisms (GMOs).	

*Calculation methodology was updated from prior year to better align with the definition of "renewable." which increased the percentage of renewable source raw materials for 2022.

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Raw Material Sourcing							
1) List of priority raw materials; for each priority raw material: 2) environmental and/or social factor(s) most likely to threaten sourcing, 3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and 4) management strategy for addressing business risks and opportunities	CG-AA-440a.3					While our Solutions business is a member of the SAC, we do not utilize its HIGG BRM, as it is not relevant for the products we produce. We have strong raw material sourcing guidelines, which include publicly posted supplier standards and clear sourcing guidelines, including our Responsible Paper Procurement Policy. Apparel Solutions' priority raw materials include polyester and recycled polyester yarns. Environmental regulations and supply chain availability of recycled yarns are the largest threats to sourcing these materials. There are also increasing customer demands for certified and traceable recycled yarns. Apparel Solutions is partnering with industry groups addressing environmental/GHG risks, requiring supplier audits, completing site certifications and researching materials with less environmental impact. Apparel Solutions has 80% of its manufacturing, distribution or fast response units FSC-certified. For yarn-based materials, Apparel Solutions prefers Global Recycle Standard (GRS) yarn, and has GRS-certified 38% of its manufacturing, distribution and fast response units.	Supplier Standards Solutions Group Responsible Sourcing Policy Responsible Paper Procurement Policy
1) Amount of priority raw materials purchased, by material, and 2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	CG-AA-440a.4					Apparel Solutions has a strong commitment to making sustainable products. Within our most commonly used raw materials, certifications such as FSC, GRS and Oeko-tex are commonplace. This category includes 80% of our manufacturing, distribution and fast response units with FSC certification, 38% with GRS certification and 53% with Oeko-tex certification.	

Circularity and Sustainable Products

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Biodiversity							
Approach to evaluating and managing biodiversity concerns		304				Our Responsible Paper Sourcing Policy addresses the measures we take to minimize wood fiber sourced from potentially controversial locations, including those with significant ecological value. We are committed to increasing our use of wood/fiber that has been certified by a credible third-party forest certification scheme (for virgin and recycled) with preference for FSC-certified material where market conditions and good business practices allow. We are conducting our 2023 third-party assessment on 2022 data to evaluate our procurement and our suppliers progress on certified paper levels. In our CDP Forest disclosures, we provide further information on our approach to biodiversity.	Responsible Paper Procurement_Policy CDP Forest Response

Energy and Emissions

Natural gas and electricity are the primary energy sources for our operations, representing the majority of our scope 1 and 2 emissions. We implement energy efficiency projects to reduce our electricity and natural gas consumption, particularly where we do not have a viable alternative to natural gas, and we source renewable energy whenever feasible. Throughout 2022, we continued to install solar panels at key sites. Using market tools such as power purchase agreements (PPAs), virtual PPAs (VPPAs) and renewable energy credits (RECs), we've purchased green energy. Our concentrated solar array in Belgium is an innovative example of how we are reducing our dependence on natural gas.
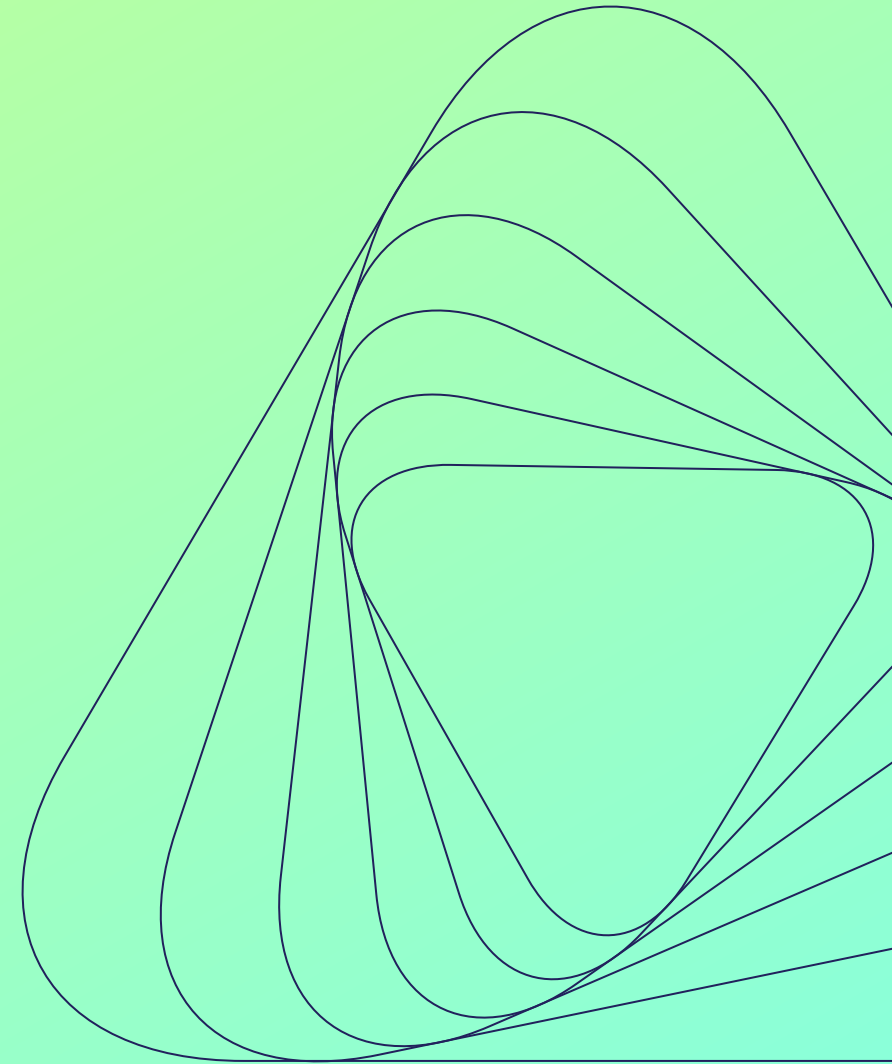
The result of our long track record of real emissions reduction is strong progress toward our 2030 goal. This positions Avery Dennison as a key partner to our customers in their efforts to lower their carbon footprints as well.

2030 Goal Alignment:
Goal 2 is to reduce our environmental impact in our operations and supply chain. To accomplish this for energy and emissions, we aim to reduce our scope 1 and 2 GHG emissions by 70% and work with our supply chain to reduce scope 3 emissions by 30%. We have an ambition to achieve net zero by 2050.

2022 Material Topic Alignment:
GHG emissions & management, climate change, materials management, advanced technologies & innovation

Energy and Emissions

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Energy Management							
Total energy consumed*	RT-CP-130a.1	302-1	6,335K	6,480K	4,508K	Total energy consumption is measured in gigajoules (GJ). 2020 and 2021 data is full-year and 2022 data is through Q3.	CDP Climate Response (Section C8.2a)
Percentage grid electricity*	RT-CP-130a.1	302-2	35%	36%	39%	During 2022, 39% of our total energy consumption came from grid electricity. 2020 and 2021 data is full-year and 2022 data is through Q3.	CDP Climate Response (Section C8.2a)
Percentage renewable*	RT-CP-130a.1	302-3	17%	20%	24%	Our use of renewable energy is increasing due to our US wind virtual power purchase agreement (vPPA) that began in June 2020. The vPPA was a component of the year-over-year increase in percentage renewable, in addition to the expansion of on-site solar and our purchase of more RECs globally. 2020 and 2021 data is full-year, and 2022 data is through Q3.	CDP Climate Response (Section C8.2a)
Total self-generated energy	RT-CP-130a.1	302-4				We self-generate less than 1% of our total energy consumption, primarily through backup diesel generators, in scope 1. In addition, certain facilities operate windmills and solar panels that generate electricity for our company and the grid.	
Activities to reduce energy consumption		302-4				Within our overall strategy to reduce GHG emissions, we have a specific focus on initiatives and projects that address energy efficiency. To date, our facilities have completed 48 projects providing an estimated annual energy reduction of 16,043 megawatt hours (MWh) per year.	
Energy/Renewable energy targets						Our Materials Group (Label and Graphic Materials only) and Solutions Group (Apparel Solutions only) have annual energy intensity reduction targets of 2% and 3%, respectively, measured as MWh of electricity and natural gas consumed per unit of production. As of September 30, 2022, our Materials Group (Label and Graphic Materials only) reduced the energy intensity of its manufacturing facilities by 26% compared to its 2015 baseline, an average reduction of 3.7% per year. Over the same period, Apparel Solutions within our Solutions Group reduced energy intensity by 29%, an average reduction of 4.1% per year. We are committed to reducing energy intensity in our facilities consistent with our overall climate strategy.	

*Historic data points for total energy consumed, percentage grid electricity and percentage renewable have been updated from prior disclosures to account for recent acquisitions.

Energy and Emissions

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Greenhouse Gas Emissions							
Gross global scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CP-110a.1	305-1 305-2	0%	0%	0%	We measure market-based GHG emissions from our operations, which includes our purchase of RECs to offset some of our electrical consumption from the grid. We measure overall GHG emissions to track progress against our 2025 and 2030 GHG emission reduction targets. GHG emissions are measured in metric tons of carbon dioxide equivalent (tCO$_2$e).	CDP Climate Response (Section C6)
Total GHG emissions* (Scope 1+2)			434K	371K	247K	We do not operate under any emissions limiting regulations at this time. Scope 2 emissions are calculated using location-based methodology. Our location-based scope 2 emissions are available in our published CDP responses. CDP data for 2022 will be available after it is released by CDP in 2023.	Climate Policy
Scope 1* Scope 2*			207K 227K	201K 170K	143K 104K	2020 and 2021 data is full-year and 2022 data is through Q3.	
Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	RT-CP110a2					In order to meet our ambitious 2030 sustainability goals, we will continue to drive efficiency improvements in our processes as well as innovate to develop products that require less energy-intensive processes for production. We will continue to transition our power purchasing toward green energy and seek out alternative energy sources, such as our upcoming concentrated solar facility in Turnhout, Belgium. We continue to perform well against our 2025 GHG reduction goal.	CDP Climate Response (Section C4) Climate Policy Integrated Report

*Historic data points for 2020 and 2021 GHG emissions have been updated from prior disclosures to account for recent acquisitions.
For more information on our scope 3 emissions, see our CDP Climate Response.

Energy and Emissions

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Greenhouse Gas Emissions							
Emission reduction activities						The majority of our emission reduction activities consists of 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 PPAs, and procurement of RECs. Examples of our emission reduction activities are reported to CDP. In June 2020, our US wind VPPA with Plum Creek Wind came to fruition, and our off-take in 2020 was 62,224 MWh. In 2022, our off-take from this 82-turbine, 230-MW project yielded 131,615 MWh of renewable power.	[Climate Policy](#) [CDP Climate Response (Section C4.3a)](#)
Air Quality							
Air emissions of the following pollutants: 1) NOx (excluding N_2O) 2) SOx 3) VOCs 4) PM	RT-CP-120a.1	305-7				Of our 264 facilities as of December 31, 2022, only 58, or 22%, produced air emissions such as nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOCs) or particulate matter (PM). Air emissions such as NOx are measured based on local permit requirements. The resulting data is site specific and not available at an enterprise level at this time. VOC emissions are tracked at the site level. Our VOC data is not available at the enterprise level at this time.	

Waste and Water

We're innovating new products and reengineering existing ones to reduce waste and increase the efficient use of materials. We also continually identify ways to reduce waste in our global operations. Our waste management initiatives help reduce costs, keep materials out of landfills and reduce our consumption of natural resources.
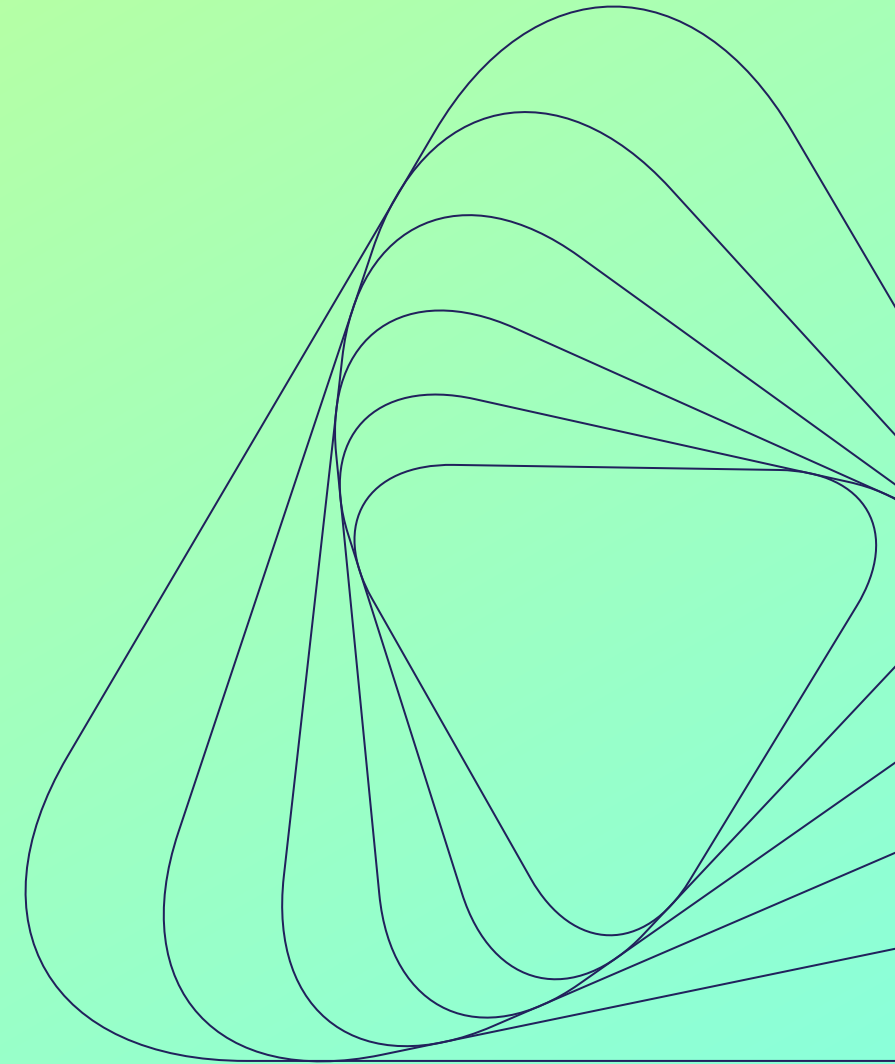
Despite our relatively insignificant use of water in our direct operations, we are committed to reducing our environmental impact wherever possible. We understand that our businesses and the communities in which we operate may be exposed to impacts associated with water scarcity and quality. Accordingly, we conduct an annual water assessment using the WRI Aqueduct Tool to determine site-specific priorities and opportunities.

2030 Goal Alignment:
Goal 2 is to reduce our environmental impact in our operations and supply chain. To accomplish this for waste and water, we aim to divert 95% of our waste away from landfills, with a minimum of 80% of our waste recycled, and deliver a 15% increase in water efficiency at our sites that are located in high or extremely high-risk countries.

2022 Material Topic Alignment:
Operational waste, materials management

Waste and Water

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Waste Management							
Percentage of waste diverted from landfill 1) including direct incineration, and 2) excluding direct incineration*			1) 94%	1) 94%	1) 93% 2) 89%		
Percentage of waste recycled			66%	66%	64%	By 2030, we plan to divert 95% of our waste from landfills, with a minimum of 80% of our waste recycled and the remainder either reused, composted or sent to energy recovery.	
Amount of waste diverted from landfill by disposal method: 1) Waste-to-energy, 2) Incineration, 3) Recycled		306-4 306-5			1) 29K 2) 6K 3) 81K	In 2022, we started reporting the amount of waste diverted by disposal method, amount sent to landfill and amount recycled. Unit is metric tons. 2020 and 2021 data is full-year and 2022 data is through Q3.	
Percentage of waste sent to landfills			5.7%	5.6%	7.1%		
Amount of waste sent to landfills		306-5			9K		
Provide data on significant spills			15	16	16	Defined as release to the environment (air, water, earth) where the quantity (a) exceeds 5 gallons/20 liters, (b) exceeds a Reportable Quantity in the US or (c) which requires notification to a governing agency (excluding water). Most of these spills occurred inside a building and were contained and cleaned with little or no impact to the environment.	

*In 2022, we began to measure our waste diverted from landfill both 1) including direct incineration and 2) excluding direct incineration to better align our tracking with our 2025 and 2030 goals, respectively. Prior to 2022, we only reported waste including direct incineration.

Waste and Water

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Hazardous Waste Management							
Amount of hazardous waste generated; percentage recycled	RT-CP-150a.1	306-3 306-4	16K 23%	17K 22%	13K 25%	We have publicly committed to reducing waste as part of our sustainability goals. Our strategy and targets to reduce hazardous waste are included in our broader waste reduction plan. Chemical waste and contaminated materials must be handled in accordance with Global Standard 3.01-Waste Management. Hazardous waste is measured in metric tons and by percentage recycled. In 2022, 25% (3K metric tons) was recycled. 2020 and 2021 data is full-year and 2022 data is through Q3.	Waste Reduction
Percentage of 1) Tier 1 supplier facilities and 2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1		1) 100%	1) 100%	1) 100%	Our Solutions Group joined the SAC in 2012 as the first solutions provider in the network. Based on SAC criteria, we consider our manufacturing facilities to be Tier 1 factories. In 2019, we implemented a full manufacturing restricted substance list (M-RSL) according to the Zero Discharge of Hazardous Chemicals (ZDHC) Program's restricted substance list. We require suppliers to comply with the M-RSL, which restricts harmful substances and chemicals used in our manufacturing facilities. All outsource suppliers have been involved in our Integrated Compliance Assurance Program (ICAP) assessments. The assessment verifies facility environmental compliance performance, including legally-required wastewater discharge permits. Based on our assessments, 100% of wastewater discharge permits of approved outsource suppliers are compliant. We monitor wastewater quality at owned manufacturing facilities. As of December 31, 2022, 100% of our manufacturing facilities complied with wastewater discharge permits and/or contractual agreements. We conduct regular tests according to ZDHC wastewater guidelines. We disclose results from three key manufacturing facilities on public platforms including the ZDHC Gateway and the Institute of Public and Environmental Affairs. In 2022, these three manufacturing facilities produced approximately 47% of Apparel Solutions' products.	Solutions Group RSL

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Water Management							
1) Total water withdrawn 2) Total water consumed 3) Percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	303-1	1) 445 3) 48%	1) 417 3) 30%	1) 316 3) 32%	Water withdrawal is measured in millions of gallons. Water usage is relatively low in our direct operation, but we see opportunities to make larger water-saving impacts in our supply chain. The WRI Aqueduct Tool allows us to determine by geography how many of our sites are in areas of water stress. We assess our sites annually and analyze the data based on risk level (Extremely High, High, Medium High, Medium Low, Low). 2020 and 2021 data is full-year and 2022 data is through Q3.	Water Policy
Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2					We perform an annual water assessment using the WRI Aqueduct Tool. Based on recent assessments, any site falling into High or Extremely High risk becomes part of our 15% water efficiency target that is included in our 2030 sustainability goals. We are currently evaluating the impact our direct operations may have on the water basins in those areas, as well as the risk(s) to our business of utilizing water resources in these regions. Starting in 2021, we began requesting water policy and practice information through EcoVadis from suppliers representing the top 80% of our Materials Group's direct spend. At our own sites, we have been working to implement more accurate and specific tracking to enable data-driven water efficiency improvements in the future. We established our water-related target and goal to support our industry's efforts to reduce water-related impacts and risks in our value chain. The most relevant water-related risks to our business exist upstream in our supply chain, where water use is more significant.	Water Policy
Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CP-140a.3		0	1	6	In 2022, five of the six exceedances occurred at our Peachtree, Georgia facility. All five were associated with copper exceedances, which are not part of our operating processes. The source was identified as the condensation from our air compressors, which tested for copper contamination. We have isolated and collected all water from the system and are exploring treatment methods to remove copper from the condensation.	
Effluent Management Program						This treatment method consists of each facility sending its wastewater effluent to a public or community treatment facility to be properly treated. Once the wastewater arrives at the treatment facility, it is treated through physical, chemical and/or biological processes.	

Our Employees

The health and safety of our employees is paramount to our business success. We aim to maintain our world-class safety culture and performance by safeguarding our employees and supporting the communities in which they live and work. We accomplish this through hazard recognition, safe work practices and compliance with environment, health and safety regulations.
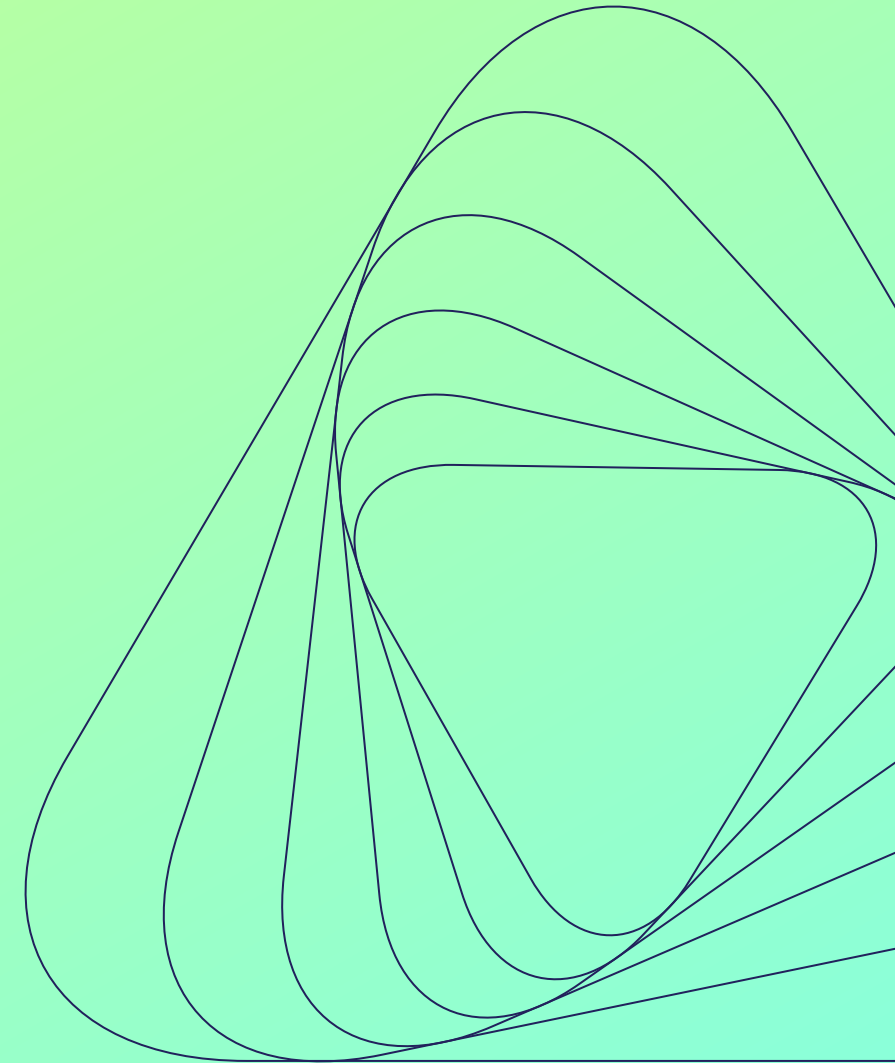
We know that the best solutions come from a mix of ideas, perspectives and backgrounds. Our ambition is to offer a working environment where every employee's voice is heard and to enable our employees to realize their full potential. We are proud to be a responsible employer of choice for approximately 36,000 people around the world, contributing to the economic livelihoods of our employees and supporting the communities in which we do business. Our corporate social responsibility efforts include volunteerism and financial support of community-based organizations, with most of our charitable contributions made through the Avery Dennison Foundation.

2030 Goal Alignment:
Goal 3 is to make a positive social impact by enhancing the livelihood of our people and communities. To accomplish this, we aim to foster an engaged team and foster the well-being of the communities in which we and our supply chain operate.

2022 Material Topic Alignment:
Fair & inclusive workspace

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Occupational Health and Safety							
Health and Safety Policy						We comply with applicable environmental, health and safety laws and regulations. We go beyond legal requirements whenever, in our judgment, it is prudent to do so. We've steadily improved our practices and increased employee involvement and training to achieve and maintain a world-class safety record. In 2022, over 99% of computer-based new hires completed our onboarding training course "Health and Safety: Just Slow Down a Second." Our EHS Audit Program covers compliance with industrial hygiene and safety-related laws and regulations.	Employee Health & Safety
1) Total recordable incident rate (TRIR) and 2) fatality rate for direct employees and contract employees	RT-CH-320a.1	403-2	TRIR: 0.21 LTIR: 0.11 Fatality Rate: 0	TRIR: 0.21 LTIR: 0.11 Fatality Rate: 0	TRIR: 0.23 LTIR: 0.08 Fatality Rate: 0	TRIR: Total recordable incident rate. TRIR provides the number of recordable injuries cases per one hundred (100) employees over a period of one (1) year. [(Number of injuries and illnesses x 200,000) / Employee hours worked = Incidence rate] LTIR: Lost time injury rate. We experienced no fatalities in 2020, 2021 or 2022.	Employee Health & Safety
Efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2					Our manufacturing facilities assess exposures from substances and tasks where potential health risks are present. Each manufacturing facility evaluates the need for improvements in its manufacturing processes, facilities, training, personal protective equipment and medical surveillance. We use our internal chemical management system to review and ensure safety data sheets are updated and readily available to our employees. We also implemented the Avery Dennison RSL to eliminate substances of concern from our products and processes.	Employee Health & Safety

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Environmental Management Systems							
Percentage of operations certified to 1) ISO 14001 and 2) OHSAS 18001 or ISO 45001			1) 24%	1) 25%	1) 22% 2) 12%	As of December 31, 2022, 37 of our 168 operations facilities (22%) had ISO 14001 certification. At that same time, 20 of our 168 operations facilities (12%) had OSHA 18001 or ISO 45001 certification. We began reporting OSHA 18001 / ISO 45001 certifications in 2022.	
Number of locations with Environmental Audits			4 Corporate 19 HIGG FEM	8 Corporate 18 HIGG FEM	20 Corporate 23 HIGG FEM	We regularly audit our facilities to ensure they comply with environmental, health and safety requirements. These audits are undertaken in two primary ways. One is our Corporate EHS audits, which are led by our specialist teams. The low numbers of audits in 2020 and 2021 were a result of COVID-19 restrictions that limited access to sites. Our 2022 audits included 14 EHS Compliance Audits and 6 Process Safety Management Audits. In our Apparel Solutions facilities, we undergo HIGG FEM audits, which are led by external auditors. HIGG FEM is the platform where we assess our environmental management on energy, water, waste, waste water, air emissions and chemical management. In 2022, 23 of our production sites conducted SAC-verified HIGG FEM assessments.	

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Labor Relations							
Statement of commitment to a fair or living wage for all employees						We offer market-based, competitive wages in all markets where we compete for talent. All of our employees are paid at least the applicable legal minimum wage, and 98% of our employees were paid above the applicable legal minimum wage at year-end 2022.	
Paying temporary contract workers minimum wage and/or other employment benefits						Suppliers, contractors and subcontractors must compensate their employees in compliance with applicable laws pertaining to wages, including overtime and benefits. Suppliers and subcontractors may not make deductions from pay for disciplinary infractions, reporting unfair or illegal practices, or other whistleblowing activities. Within our Solutions Group, we have made a commitment that our contingent workforce will not exceed 10% of the total workforce, contracts will not exceed six months and contingent workers will be paid the same as an entry-level employee in the same role. We completed 7 audits against this standard operating procedure in 2022. At year-end 2022, our contingent workforce comprised less than 5% of the total Solutions Group employee base, including AD Smartrac employees.	Supplier Standards Social Compliance Supplementary Standards
Evidence of collective agreements		2-30 407-1				There are multiple collective agreements in place across our enterprise, some industry-wide by country and others specific to our locations. In some countries, there are no such agreements.	

Our Employees

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Community Relations							
Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	413-1				We have a long history of helping to strengthen the communities in which we do business through volunteerism and financial support of community-based organizations. Using our resources to help communities meet some of their most urgent challenges is a natural extension of our values and part of our responsibility as a member of communities around the world. We make most of our community investments through the Avery Dennison Foundation, adhering to strict financial and governance guidelines. Employees across our geographic regions and businesses also organize additional community-giving efforts. In all our giving, we focus on efforts to drive measurable and meaningful change.	Avery Dennison Foundation Community Impact web page
Annual giving			$3.53M	$6.2M	$5.1M	Annual giving is measured in US dollars ($). Values reflect giving from the Avery Dennison Foundation and our company. In 2022, the Foundation focused on its historic funding areas (education, sustainability and women's empowerment); continued to address the impact of COVID-19 through food insecurity; continued to support organizations promoting diversity, equity and inclusion (DEI) across our operating regions; and supported individuals affected by the war in Ukraine.	Integrated Report
Workforce							
Number of employees	RT-CP-000.C (activity metric)		32,086	36,062	35,929		
Training Policy		404-1				To achieve our vision in a way that reflects our company's values, our goal is to attract, develop and retain the best talent, reflecting a diverse workforce at all levels. One of our objectives is to provide an environment of professionalism, growth and opportunity, facilitate career and personal development, and develop programs aimed at optimizing productivity at all levels. At a minimum, all employees receive the training needed to perform their job duties as well as assigned Values and Ethics training. There are also a number of resources available to our employees globally to facilitate their career and personal development: • Onboarding System to support a well-structured onboarding of new employees • Global Performance Management process, focused on how employees are performing and growing • Career Development/Learning Centers that house tools for career development and training.	

Our Employees

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Workforce							
Percentage of favorable responses on employee engagement survey			82%	82%	84.5%	We conduct an annual company-wide employee engagement survey. Percentages are derived from the proportion of respondents who stated they agree or strongly agree on a five-point Likert scale.	
Employee training		404-1				Our philosophy for development and training follows the 70/20/10 approach: 70% of learning happens on the job, 20% of learning comes from exposure to and interaction with others and 10% of learning happens formally. Learning Advisor, our global learning platform, supports our computer-based employees in activating this approach in support of their personal and career development. Through Learning Advisor, employees select from formal facilitator-led training or self-paced e-learning and toolkits. They can access ideas on how to activate learnings in their roles and tips on how to learn from others. To complement resources supporting individual development, we also provide various assessments, programs and interventions to enhance the effectiveness of our teams. Additionally, there are local guidelines and policies in place at most of our sites, as well as regional initiatives and programs, dedicated to facilitating and supporting the development of our employees.	
Employee turnover (voluntary/total)			9% 18%	12% 19%	12% 19%		

DEI

Avery Dennison is a company operating in more than 50 countries and offering a broad portfolio of products and services. Diversity is central to our success and competitive advantage. It is critical to innovation because the best solutions come from a mix of ideas, perspectives and backgrounds. Inclusion—ensuring that all of these diverse perspectives are considered—is equally important.
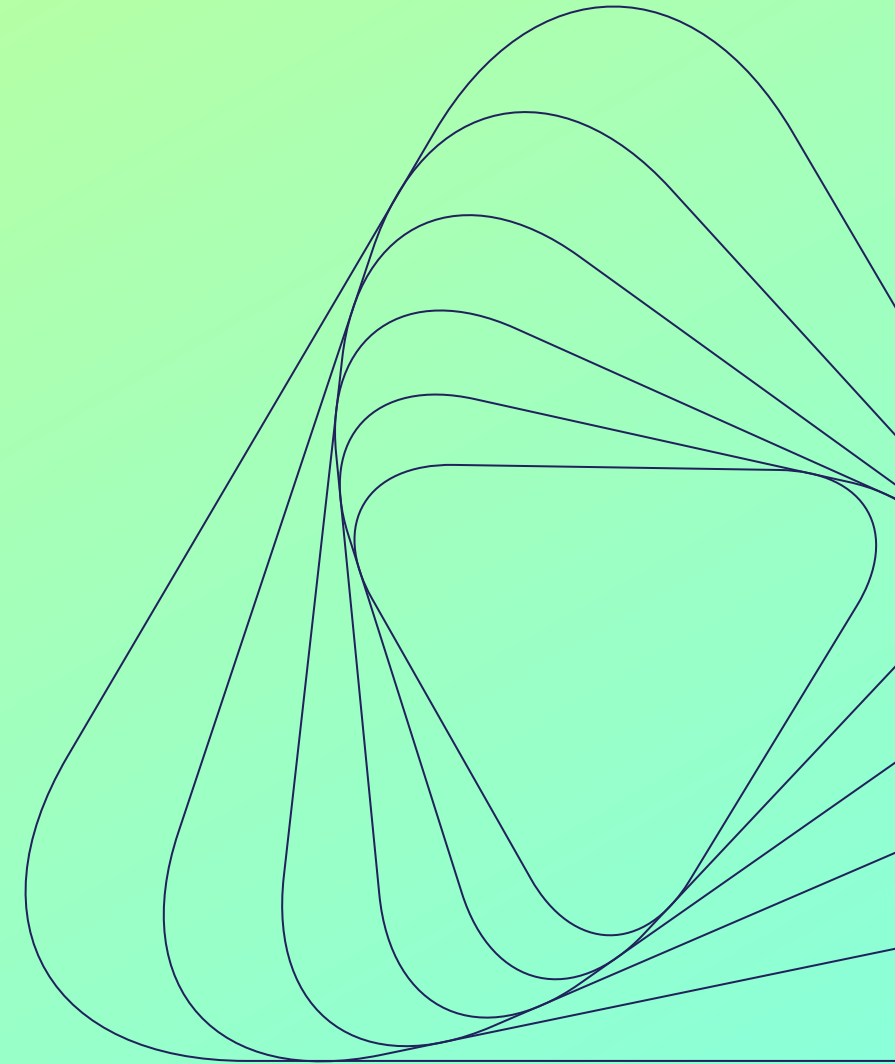
At Avery Dennison, teamwork has long been one of our company's values; embedded within this is the need for strong, diverse teams and an inclusive culture that drives innovation, sustainability and growth. We added Diversity as a global company value in 2017, highlighting its importance in our DNA. More recently, we have focused on modernizing our hiring practices and creating a framework for inclusive hiring using data to inform our actions. With leadership from our regional DEI councils and internal DEI infrastructure, we have realigned our vision and developed a more holistic and robust global strategy, more formally incorporating "equity" into our dialogue and roadmap.

2030 Goal Alignment:
Goal 3 is to make a positive social impact by enhancing the livelihood of our people and communities. To accomplish this for our people, we aim to foster an engaged team and an inclusive workplace.

2022 Material Topic Alignment:
Fair & inclusive workspace

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
DEI							
Non-Discrimination Policy						We are committed to treating our employees fairly and with respect, which means we provide equal opportunity to all employees and applicants. We prohibit unlawful discrimination or harassment because of race, color, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation, gender identity or expression, veteran status or any other status protected by law. In making employment decisions, we focus on individual qualifications, demonstrated skills, abilities and achievements, and other factors relevant to the job. Over 99% of our computer-based new hires completed discrimination training in 2022, including courses on dignity and respect in the workplace and diversity.	Code of Conduct
Incidents of discrimination and corrective actions taken		406-1				We are committed to providing a work environment where employees are treated with respect, courtesy and dignity. We do not report on specific incidents, but encourage and support teamwork and mutual respect among employees. We maintain a zero tolerance policy against all forms of harassment involving a protected category under applicable federal, state or local laws, including but not limited to sexual harassment, threats in the workplace and violence in the workplace. Violations of this policy result in prompt and appropriate preventive and/or remedial action, up to and including termination of employment. If employees believe this policy has been violated, we encourage them to report the incident to their manager, their Regional Ethics Counsel (or another member of the Law Department), Human Resources, or by contacting our Business Conduct GuideLine, anonymously if they so choose.	Code of Conduct
Gender pay ratios						We have continued our practice of evaluating pay equity, making adjustments where appropriate. Our pay equity review considers total base and bonus compensation. In 2022, we reviewed pay equity with respect to gender for all non-manufacturing employees globally, as well as including manufacturing employees in the U.S. and for all U.S. employees with respect to race/ethnicity. We have enhanced pay transparency to reflect evolving laws and regulations.	Proxy Statement

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
DEI							
Diversity, Equity & Inclusion Strategy						At Avery Dennison, teamwork has long been a company value; embedded within this is the need for strong, diverse teams and an inclusive culture that drives innovation. Our global DEI pillars are: ● Making merit and transparency even more foundational to our employee experience ● Increasing the number of women who hold leadership positions ● Enhancing the experience of our manufacturing employees ● Increasing representation and inclusion for underrepresented groups, with priority populations and actions determined by each region	Diversity, Inclusion, and Equal Opportunity Integrated Report
Total percentage of women in the workforce		2-7	38%	38%	38%	Our 2025 and 2030 sustainability goal is to achieve 40% female representation in manager and above positions. To achieve this goal, we are focused on internal talent pipeline development and retention of female employees. More recent indicators reflect the progress we are making with developing our internal pipeline.	Integrated Report
Total percentage of female executives			25%	23%	28%	Defined as Vice President level and above.	
Total percentage of women in manager-level and above roles			34%	35%	36%		
Percentage of women in manager-level roles			35%	36%	37%		
Percentage of women in supervisory-level roles			39%	40%	40%		
Percentage of women in professional-level roles			52%	52%	52%		
Percentage of women in clerical and manufacturing roles			36%	36%	35%		

DEI

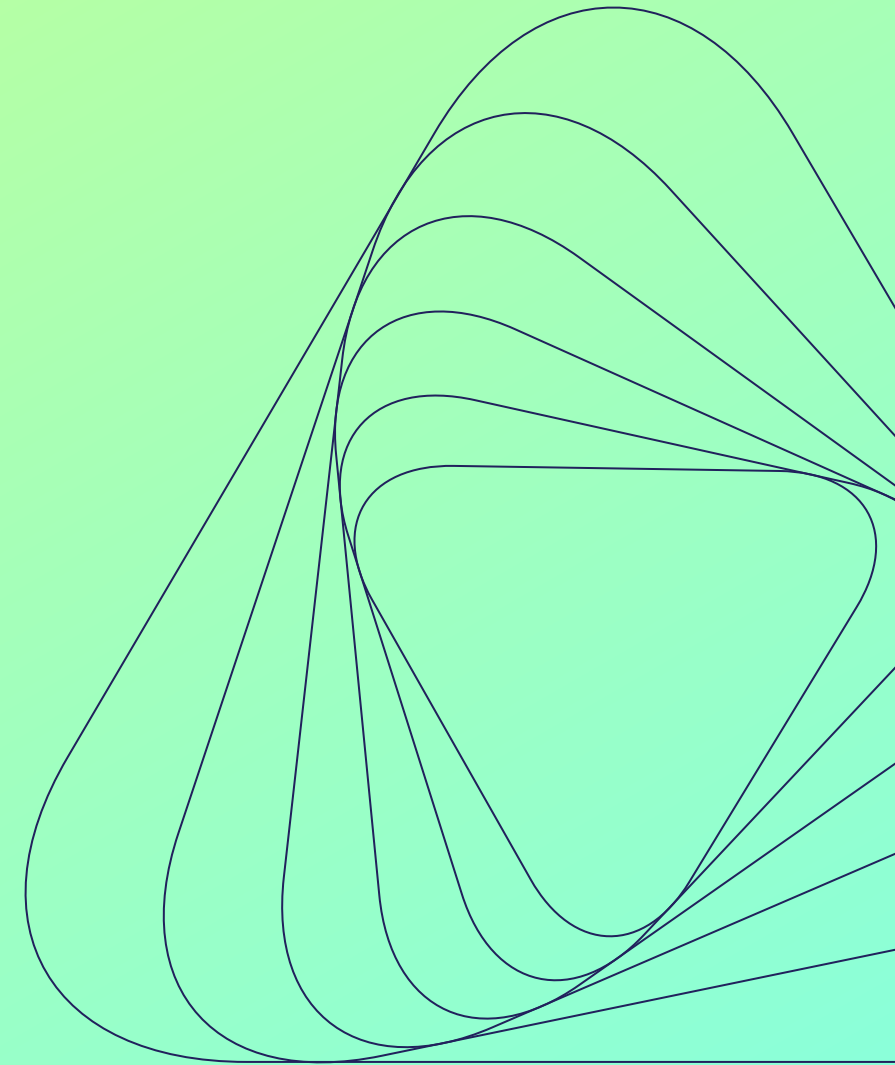|	2020	2021	2022	Discussion	Source
DEI - EEO-1 (Equal Employment Opportunity)					
Percentage of racially or ethnically diverse Executive/Sr. Level Officials	19%	22%	22%		
Percentage of racially or ethnically diverse First/Mid-Level Officials	20%	22%	22%		
Percentage of racially or ethnically diverse Professionals	24%	25%	25%		
Percentage of racially or ethnically diverse Technicians	15%	17%	16%	Data reflects the voluntary self-identification by our US employees of racial or ethnic diversity.	[Integrated Report](#)
Percentage of racially or ethnically diverse Sales Workers	14%	12%	13%	Our EEO-1 (equal employment opportunity) statistics, which we collect as required by the US Equal Opportunity Commission (EEOC), are publicly available as a consolidated report. EEO-1 data reflects only our US workforce. Our 2022 EEO-1 Consolidated Report will be made publicly available once compiled and submitted to the EEOC.	[2020 EEO-1 Consolidated Report](#) [2021 EEO-1 Consolidated Report](#)
Percentage of racially or ethnically diverse Administrative Support	18%	25%	25%		
Percentage of racially or ethnically diverse Craft Workers	14%	13%	14%		
Percentage of racially or ethnically diverse Operatives	24%	27%	36%		

Governance

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

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

2022 Material Topic Alignment:
Climate change, supply chain

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Human Rights							
Human Rights Policy						We address human rights concerns regarding our operations and supply chain through our corporate policies, including our Human Rights Policy. In our Solutions Group, all manufacturing locations and Tier 1 suppliers are regularly audited against our social standards. In 2022, the 202 social audits of our owned locations covered 18,704 employees. We also conducted 341 social audits of our suppliers in 2022. In 2021, we achieved full membership of the Ethical Trading Initiative, and in early 2022, we were recognized as a great place to work by the Human Rights Campaign, achieving a perfect score on its corporate equality index.	Human Rights Policy
Human Rights or other policy covers community consultations and indigenous rights						In 2021, we published our Responsible Sourcing Policy, which includes requirements related to labor rights as well as prohibitions on endangered animal and plant material, and responsible forestry and animal practices. As a significant stakeholder in the supply chain of pulp and paper products, we recognize our role in promoting and providing sustainable and socially responsible paper products. Wood fiber is not harvested in violation of internationally accepted guidelines and treaties to protect human rights of indigenous peoples. Our Human Rights Policy outlines our commitments to human rights within our supply chain. We have been monitoring the requirements of the Uyghur Forced Labor Prevention Act (UFLPA). We assessed risk and completed due diligence where we believed it to be applicable.	Responsible Paper Procurement Policy Solutions Group Responsible Sourcing Policy
Policy Against Child Labor						We do not use, and we prohibit our suppliers from using, child labor. The term "child" refers to a person younger than 15 or the local legal minimum age for employment, whichever is higher. Our Human Rights Policy outlines our commitments, and our Social Compliance Supplementary Manual discusses conditions for juvenile workers and required actions if an instance of child labor is discovered.	Supplier Standards Human Rights Policy

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Supply Chain Management							
Sustainable Supplier Guidelines		308-1 414-1				Our Supplier Standards include standards with which our suppliers are required to comply on matters such as working conditions, labor standards, anti-corruption and other legal and ethical requirements. These standards reflect our commitment to integrity in business activities, abiding by government laws and regulations, providing workers with a safe and healthy working environment, treating workers with dignity and respect, and promoting sustainable practices to help protect and preserve the environment. Compliance with these standards is an ongoing condition of doing business with our company. Additionally, our Solutions Group provides suppliers with Social Compliance Supplementary Standards. Both documents address key environmental and social issues in our supply chain. Suppliers and subcontractors must comply with applicable environmental laws and ensure that other relevant requirements are achieved. Suppliers, contractors and subcontractors must take proactive measures to protect, and minimize impacts to, the environment. These documents also communicate our expectations regarding compensation, working hours, forced labor, child labor, discrimination and human rights, and freedom of association.	Supplier Standards Social Compliance Supplemental Standards Solutions Group Responsible Sourcing Policy
Evaluation of suppliers on social and environmental risks and performance		408-1 409-1				Within our Materials Group, we use EcoVadis to conduct annual social, environmental and ethical performance of their top-tier suppliers. The assessment produces an overall rating for each supplier, as well as a performance rating within the categories of Environment, Labor & Human Rights, Ethics and Sustainable Procurement. The report also highlights opportunities for improvement and includes news alerts with any emerging controversies. We also began benchmarking our supplier emissions performance through CDP Supply Chain in 2021. In our Solutions Group, all new outsource suppliers are audited prior to any orders being placed. These audits are conducted by third-party organizations and focus on a number of social, environmental, and health and safety criteria. Each supplier receives an audit score and must develop a corrective action plan for identified areas of improvement. This audit process incorporates the standards and protocols of many external benchmarks, such as SEDEX and BCSI, and covers many areas, including their social and environmental controls and systems. Before a supplier can be onboarded, it must pass this audit process.	

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	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Privacy							
Data Protection Policy						We predominantly process personal data of our staff members and very limited personal data (such as contact information) of our customers, suppliers and other third parties with which we have a business relationship. Furthermore, we process limited personal data (for example, IP addresses) on behalf of our customers as part of our digital services. More information about personal data we collect and use is explained in our publicly available Privacy Notice. We have a global privacy program to appropriately protect personal data and ensure compliance with applicable privacy and data protection laws. In 2022, 99% of our computer-based new hires completed our Global Data Protection training.	Privacy Notice GDPR
Business Ethics							
Business Ethics Policy	Code of Conduct					Our Code of Conduct is available in 33 languages and covers anti-corruption and anti-bribery.	Code of Conduct
Percentage of the total workforce who acknowledge the Code of Conduct in writing			100%	100%	100%	Our Code of Conduct covers the policies that guide work at our company, including responsibilities of employees, managers and leaders as well as workplace conduct, health and safety, and business ethics. All employees acknowledge the code in writing at hire, and bi-annually all computer-based employees complete an additional Code of Conduct compliance certification. Further, in 2022, over 99% of our computer-based new hires completed our Code of Conduct training "Best Practices."	Code of Conduct
Employee Protection/ Whistleblower Policy						Our Code of Conduct contains language that covers employees protection, reporting of concerns and non-retaliation. In 2022, 99% of our computer-based new hires completed our training "When Employees Raise Business Conduct Concerns" and 98% of our EMEA employees completed our training "Speaking Up: We Are Listening."	Code of Conduct
Ethics Policy or Code of Conduct extends to include suppliers						By extension, our suppliers are part of our culture, so we do our best to hold them to the same ethical standards we follow. They are bound by our Global Supplier Standards, which describe the best practices and ethical behavior we require from our suppliers.	Code of Conduct Supplier Standards

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	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Business Ethics							
Highest level of executive oversight for anti-bribery or anti-corruption						The Governance Committee of our Board of Directors oversees environmental sustainability and community investment matters, our Values and Ethics program, and potential conflicts of interest under our Legal and Ethical Conduct Policy.	
Anti-corruption training is provided to employees		205-2				Training topics include Antitrust Compliance, Conflict of Interest, Fraud Awareness, and Global Export Controls. Training courses addressing Anti-Corruption achieved 99% completion among our computer-based new hires in 2022.	
Percentage of computer-based workforce who completed e-learning courses on business ethics issues			~94%	96%	99%	In 2022, 99% of employees completed courses on business ethics topics including conflicts of interest, due diligence, trade compliance, financial crime, gifts, export controls and global competition.	
Percentage of all facilities for which an internal audit/risk assessment concerning business ethics issues has been conducted			97%	100%	100%	Our Internal Audit team conducts an annual, company-wide values and ethics risk assessment.	

Governance

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Political Spending							
Information on corporate funds for political advocacy (lobbying, campaign contributions, money to tax-exempt groups or trade associations)						We are members of various trade associations that, among other things, engage in political advocacy on behalf of their membership, including the American Chamber of Commerce to the EU, the American Apparel & Footwear Association and EUROPEN (the European Association for Packaging and the Environment). We also engage a Belgium-based public affairs agency to provide monitoring and policy analysis of circular economy legislation in the European Union that may have an impact on our company. We do not use corporate funds to make financial contributions to lawmakers or campaign groups.	
Governance of CSR							
Sustainability Committee						Our enterprise Sustainability Council is led by a senior sustainability leader from our Solutions Group, who serves as Chair and reports in this capacity to our President/COO, who is accountable for our progress. The council is composed of a cross-divisional and cross-functional group of management to continually accelerate our progress, and met regularly during 2022 to ensure we achieve our 2025 sustainability goals, activate roadmaps to achieve our 2030 sustainability goals and targets, and continually refine our ESG strategies.	CDP Climate Response (C1.2a) Proxy Statement
Board Committee with responsibility for sustainability						Board oversight over environmental sustainability and community investment is primarily conducted by the Governance Committee, which receives a report from management on each of these topics at least once a year. Board oversight over social sustainability is conducted primarily through the Compensation Committee, which reviewed DEI, including pay equity and transparency, at multiple meetings in 2022 and regularly discusses other matters related to talent management. In addition, our full Board engages with business leaders on their sustainability initiatives during its regular review of their business strategies.	CDP Climate Response (C1.2a) Proxy Statement

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Governance of CSR							
Executive Director with responsibility for sustainability	CDP Climate Response (C1.2a)					With strategic guidance and direction provided by Mitch Butier, our Chairman/CEO, management responsibility over ensuring that we continue to make progress toward achieving our sustainability goals resides with our enterprise Sustainability Council led by a senior sustainability leader from our Solutions Group, who serves as Chair and reports in this capacity to our President/COO, who is accountable for our progress.	CDP Climate Response (C1.2a) Proxy Statement Integrated Report
Executive compensation linked to ESG	CDP Climate Response (C1.2a)					Our CEO's annual performance evaluation includes an assessment of his performance against his predetermined strategic objectives, which include progress toward our sustainability goals. Other Named Executive Officer (NEO) compensation decisions include consideration of their ESG-related achievements.	CDP Climate Response (C1.2a) Proxy Statement
Employee sustainability training						Our employees receive regular communications about our sustainability commitments and additional focused trainings during our "Sustainable September" campaign. We train our Solutions Group leaders in site operations, human resources and procurement as part of our Integrated Compliance Assurance Program. In 2022, we also implemented specific function-based training on scope 3 GHG emissions. Courses on the Essentials of Sustainable Packaging from the Sustainable Packaging Coalition are offered to Materials Group employees. Materials Group leaders and employees are trained on our sustainability strategy and goals and are offered deep-dive sessions on specific sustainability topics as well (for example, scope 3 GHG emissions). In 2022, we initiated our Sustainability Dialogues program in our Materials Group, consisting of a series of interactive trainings offered to all employees, or to a specific function, with each dialogue focused on a specific sustainability topic.	

Governance

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Board Diversity							
Percentage of women on the Board		405-1	20%	22%	22%	Due to our recent increase in Board size and appointment of a new director, 30% of our 2023 director nominees are women and 60% of our director nominees are from underrepresented communities.	
Percentage of racial/ethnic minorities on the Board			30%	33%	33%	Due to our recent increase in Board size and appointment of a new director, 30% of our 2023 director nominees self-identify as from racial/ethnic minorities and 60% of our director nominees are from underrepresented communities.	Proxy Statement
Board of Directors age range			49–72 years	50–69 years	51–69 years		
Size of the Board			10	9	9	The current size of our Board is 10.	

Governance

	Discussion	Source
Disclosures		
SASB	The Sustainability Accounting Standards Board (SASB) categorizes Avery Dennison within the primary industry of Containers & Packaging under its Sustainable Industry Classification System (SICS). SASB also categorizes Avery Dennison within secondary industries of Apparel, Accessories & Footwear and Chemicals. We report relevant indicators across all three of these sector standards.	
GRI	We published sustainability reports beginning in 2008 (moving to annual reporting with our first integrated financial and sustainability report for 2019) and have reported in accordance with or in reference to GRI since 2010. In 2020, we transitioned from reporting GRI indexing in our Integrated Report to reporting in this ESG Download.	
CDP	We have responded to CDP Climate since 2010, and CDP Water and CDP Forests since 2015 and 2016, respectively. For 2022, the most recently rated year, we were rated A- for Climate and B for Forests and Water. Our most recent Supplier Engagement Rating is from 2021, and we were rated A. In 2021, we became a CDP Supply Chain member.	CDP Responses
Science-Based Targets	Our approach is based on the 3% solution developed by the World Wildlife Fund, CDP and McKinsey & Company. In October 2021, our GHG emission reduction targets were approved by the SBTi.	2030 Targets
UN Global Compact	In November 2020, we joined the UN Global Compact and first disclosed our progress on our annual commitments in November 2021.	Annual Reporting
Sustainable Development Goals	In November 2020, we made commitments to the UN Sustainable Development Goals and subsequently aligned our most material sustainability topics to focus within these 17 goals.	SDG Alignment
Sustainable Apparel Coalition	Our Solutions Group has been a member of the Sustainable Apparel Coalition since 2012, and we conduct HIGG FEM audits and Facility Social and Labor Module (FSLM) audits of our Solutions Group manufacturing facilities. These audits are accessible in the HIGG index available to SAC members.	HIGG Index

*We continue to evaluate additional standards and frameworks as relevant, including the Task Force on Climate-related Financial Disclosures (TCFD).

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Climate Change							
Climate Change Policy						Sustainability is one of our company values as well as one of our core strategies. As a responsible corporate citizen, we are committed to reducing GHG emissions throughout our operations and value chain. In 2021, we received approval from the SBTi for our reduction targets, with our scopes 1 and 2 targets consistent with reductions required to keep warming to no more than 1.5°C. Our 2030 sustainability goals, which include scope 3 carbon reduction targets and an ambition to have net-zero emissions by 2050.	Climate Policy ESG Website
Board oversight of climate strategy						Board oversight over environmental sustainability is primarily conducted by the Governance Committee, which receives a report from management on sustainability topics at least once a year. The Committee is responsible for providing oversight over key environmental sustainability initiatives, policies and programs, including our climate strategy.	Climate Policy CDP Climate Response (Section C1.1) Proxy Statement
Climate change strategy						Our 2025 goal is to achieve at least a 3% absolute reduction year over year, in line with the 3% Solution developed by the World Wildlife Foundation. In 2021, we announced our 2030 goals, which include a 70% absolute reduction against our 2015 baseline for scope 1 and 2, and a 30% absolute scope 3 reduction from purchased goods and services and end-of-life treatment of sold products against a 2018 baseline year. Our ambition is to achieve net-zero emissions by 2050.	SBTi 2030 Targets

	SASB Reference	GRI Reference	2020	2021	2022	Discussion	Source
Climate Change							
Climate change-related risks and opportunities						Through our risk identification process, we evaluate climate risks as standalone risks and also as part of broader risks, such as the macroeconomic environment. One of the risks we consider as having a substantive impact is the risk of climate change and sustainability. Our process for identifying, assessing and responding to climate-related risks and opportunities is integrated into our enterprise risk management (ERM) process. 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.We are establishing our plan to enable timely compliance with the recommendations of the the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD).	CDP Climate Response (Section C3.3) Proxy Statement
Incentives for management around climate change						Our CEO's annual incentive award is in part based on the Talent and Compensation Committee's evaluation of his performance against his predetermined strategic objectives for the year. One of these objectives is making progress toward our 2025 sustainability goals, including reducing GHG emissions. More information on incentive-based pay for all Named Executive Officers is available in our 2023 proxy statement.	CDP Climate Response (Section C1.3) Proxy Statement
Internal price of carbon						We are evaluating a price on carbon but have not instituted one at this time.	CDP Climate Response (Section C11.3)

ESG Download

Avery Dennison ESG Reporting
March 2023

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