**Carbon Disclosure Project** 

CDP 2011 Investor CDP 2011 Information Request USA Test Account

# **Module: Introduction**

#### **Page: Introduction**

#### 0.1

#### Introduction

Please give a general description and introduction to your organization

Avery Dennison is a global leader in pressure-sensitive technology and materials, retail branding and information solutions, and organization and identification products for offices and consumers. The Company employs approximately 32,100 employees (as of 12/31/10) in around 200 manufacturing and distribution facilities in more than 60 countries.

The Company's products include pressure-sensitive labeling materials; graphics imaging media; retail apparel ticketing and branding systems; RFID inlays and tags; office products; specialty tapes; and a variety of specialized labels for automotive, industrial and durable goods applications.

For 2010, sales were \$6.5 billion. Avery Dennison's self-adhesive technology and applications are an integral part of products used in virtually every major market and industry, with product sales in over 89 countries worldwide. Avery Dennison develops, manufactures and sells products through four business groups: Pressure-sensitive Materials, Retail Branding and Information Solutions, Office and Consumer Products and Other Specialty Converting Businesses.

# 0.2

#### **Reporting Year**

Please state the start and end date of the year for which you are reporting data.

#### Enter Periods that will be disclosed

01 Jan 2010 - 31 Dec 2010

#### 0.3

#### **Country list configuration**

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

| Select Country             |
|----------------------------|
| Select Country             |
|                            |
|                            |
|                            |
| Argentina                  |
| Australia                  |
| Bangladesh                 |
| Belgium                    |
|                            |
| Brazil                     |
| Canada                     |
| China                      |
| Colombia<br>Czech Republic |
| Czech Republic             |
| Denmark                    |
| Dominican Republic         |
| Egypt                      |
| El Salvador                |
|                            |
| France                     |
| Germany                    |
| Honduras                   |
| Hong Kong                  |
| India                      |
| Indonesia                  |
| Ireland                    |
| Italy                      |
| Japan                      |
| Korea                      |
| Luxembourg                 |
|                            |
| Malaysia                   |
| Mauritius                  |
| Mexico                     |
| Morocco                    |
| Netherlands                |
| New Zealand                |
| Norway                     |
| Pakistan                   |
| Peru                       |
| Philippines                |
| Poland                     |
| Portugal                   |
|                            |
| Romania                    |
| Singapore                  |
| South Africa               |
| Spain                      |
| Sri Lanka                  |
| Switzerland                |
| Taiwan                     |
| Thailand                   |
| Turkey                     |
| United Arab Emirates       |
|                            |
| United Kingdom             |
| United States              |
| Vietnam                    |
|                            |

# **Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

US Dollar (US \$)

# 0.5

# Please select if you wish to complete a shorter information request

Not Applicable

#### 0.6

#### Modules

Management Module {appropriate for companies not subject to the sector-specific modules}

# Module: Management [Investor]

#### Page: 1. Governance

# 1.1

#### Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board {drop-down selection}

#### 1.1a

#### Please identify the position of the individual or name of the committee with this responsibility

To ensure that the Company's senior management is fully involved and responsible for managing climate change within our company, there is a 3-tier structure with this responsibility: 1. Board of Directors: Governance and Social Responsibility Committee; 2. Corporate Leadership Team which includes the CEO; and 3. the Corporate Sustainability Steering Committee.

#### 1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

No

#### Page: 2. Strategy

#### 2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes {drop-down selection}

#### 2.1a

#### Please provide further details (see guidance)

In order to manage climate change risks and opportunities Avery Dennison is embedding sustainability into its strategic planning, innovation and operations processes, and is rigorously measuring its performance in this area.

At a policy level, climate-change related efforts are guided by the Company's Sustainability Charter – this has three core principles related to People, Planet and Prosperity.

The Company's senior management is fully involved and responsible for managing climate change risk and opportunity – this translates to an organizational structure that includes three levels of leadership. These are: 1. Board of Directors: Governance and Social Responsibility Committee; 2. Corporate Leadership Team; and 3. Sustainability Steering Committee.

At the operational/asset level, Avery Dennison has introduced a number of processes that are designed to monitor and manage climate change-related performance, and through this, risks and opportunities. These are ongoing and include:

 Introducing a web-based sustainability data collection tool that is currently being used to collect, amongst other things, data relating to its energy usage/carbon footprint. This system is not a oneoff program, but an ongoing mechanism where the data is collected monthly, consolidated and passed to both operational and executive-level management for decision-making purposes

At the product and customer level, Avery Dennison is expanding its sustainable product offerings to ensure that the company takes advantage of evolving opportunities, through detailed customer research and through lifecycle analysis of products.

 For example, Avery Dennison has developed a tool for sustainable product development known as "Avery Dennison<sup>TM</sup> Greenprint" which helps to provide choices to customers regarding the relative impacts of the products that they buy. The AD Greenprint tool has been piloted in the RBIS business unit and will be expanded to additional business units this year.

Avery Dennison has also undertaken to annually review:

- regulatory risks and incentives-based opportunities associated with climate change
- physical risks and incentives-based opportunities associated with climate change. Risk
  assessments in this area consider both the region-wide risks associated with Avery Dennison
  locations, but also more site-specific information including historic data as well extrapolating
  current trends to identify possible future risks.
- Energy usage and Greenhouse Gas emissions

The output of these reviews is shared with the Sustainability Steering Committee, the Corporate Leadership Team and with the Board of Directors annually.

Finally, Avery Dennison believes that managing the risks and opportunities associated with climate change are not just about introducing new policies and procedures, or about senior management providing guidance and oversight, it is also about stimulating behavioral changes in corporate culture. Avery Dennison is committed to engaging all employees in sustainability thinking, at work and at home.

#### 2.2

#### Is climate change integrated into your business strategy?

Yes

# 2.2a

#### Please describe the process and outcomes (see guidance)

In order to manage climate change risks and opportunities Avery Dennison is embedding sustainability into its strategic planning, innovation and operations processes, and is rigorously measuring its performance in this area. In doing this, Avery Dennison is gaining strategic advantages in terms of aspects such as cost reduction, product innovation which will enhance sales and will help to reach new markets and customers.

In 2010, Avery Dennison established an Energy and Climate Change Strategy that corresponds with our business and our sustainability strategy. The Energy and Climate Change Strategy integrates with short-term business planning and decision-making, and considers a range of issues including regulatory and physical risks and opportunities. The Energy and Climate Change Strategy has a number of targets associated with it, including GHG emissions reduction. Our long-term business approach and strategy has been significantly affected by sustainability issues – climate change and low carbon is just one facet of that. We consider sustainability in the design and development of new products, especially related to materials, waste and carbon aspects.

#### **Energy and Climate Change Strategy Overview**

#### **Vision Statement**

Avery Dennison's business strategy focuses on top line growth in all markets, operational excellence and attracting and retaining talent. As such, Avery Dennison acknowledges that climate change is an important global issue with potential implications to our business. We are committed to monitoring the potential risks and opportunities related to climate change and to developing energy and greenhouse gas (GHG) reduction programs in accordance with our Sustainability strategy to create:

- » More sustainable products
- » More sustainable processes
- » More sustainable purpose

#### Program Elements:

- More sustainable products: Avery Dennison will improve the energy and carbon footprint of our products and services through innovation and life cycle management
- More sustainable processes: Avery Dennison will improve the energy and GHG efficiency of our operations and will work toward continual improvement at all facilities
- More sustainable purpose: Avery Dennison will communicate and engage with key stakeholders to achieve our energy and climate change goals and to meet the interests of customers, shareholders, employees and the communities where we operate

Avery Dennison has set goals to reduce greenhouse gas emissions by 15% as indexed to net revenue from 2005 to 2015.

These operational goals will be achieved through energy evaluations and management projects at prioritized sites including:

- Energy reclamation and efficiency projects
- Building/infrastructure efficiency
- Supply-side procurement and peak-load analysis
- Alternative energy, as feasible
- Teaming with energy experts on energy reductions opportunities, analyses

Avery Dennison is expanding its lifecycle program for product design and development and we plan to set internal goals related to product lifecycle in 2012.

The Company's senior management is fully involved and responsible for managing climate change risk and opportunity – this translates to an organizational structure that includes three levels of leadership. These are: 1. Board of Directors: Governance and Social Responsibility Committee; 2. Corporate Leadership Team; and 3. Sustainability Steering Committee.

Avery Dennison has a communication plan for engagement with internal and external stakeholders regarding energy and climate change actions and progress (including disclosure). Avery Dennison communicates with investors, shareholders and employees through our Annual Report, our Corporate Sustainability Report, the CDP, and our corporate website. In addition to these mechanisms, we communicate with customers individually on a regular basis regarding their sustainability interests. This year, Avery Dennison plans to engage employees and local NGOs in an initiative to enhance sustainability and education at the community level.

# 2.3 Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

#### 2.3a

#### Please explain (i) the engagement process and (ii) actions you are advocating

Avery Dennison recognizes that sustainability policy is being driven by a wide group of stakeholders including: supra-nationals, national, regional and local governments, the private sector, and non-governmental organizations. Avery Dennison values active collaboration with a range of these types of organization and currently has formal connections with the following:

- U.S. Business Roundtable's Climate Resolve
- Forest Stewardship Council (FSC)
- Carbon Disclosure Project
- Business for Social Responsibility (BSR)
- Sustainable Packaging Coalition (SPC)
- Tag and Label Manufacturers Institute (TLMI)
- FINAT (Féderation Internationale des fabricants et transformateurs d'Adhésifs et Thermocollants)
- American Chemistry Council

We plan to extend this contact base to include NGOs going forward.

We are actively involved in engagement with the activities of these organizations including: attending meetings, putting forward representatives for committees and steering groups and providing a range of other kinds of support both financial and in kind.

Through these organizations we advocate for environmental stewardship amongst companies in our sector, as well as around the importance of recognizing the role that we all have in managing climate change risks and opportunities. Avery Dennison backs up its external commitment to these issues through a variety of home-grown sustainability initiatives, and it believes that active engagement with external stakeholders will help to advance an effective and accountable sustainability agenda for its products, services and operations.

#### Page: 3. Targets and Initiatives

#### 3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Yes

# 3.1a

Please provide details of your absolute target

NA

#### 3.1b

#### Please provide details of your intensity target

| ID | Scope          | % of<br>emissions<br>in scope | %<br>reduction<br>from<br>base<br>year | Metric                              | Base<br>year | Base year<br>emissions<br>(metric<br>tonnes<br>CO2e) | Target<br>year | Comment  |
|----|----------------|-------------------------------|--|-------------------------------------|--------------|--|----------------|--|
|    | Scope<br>1 + 2 | 95                            | 15                                     | %<br>reduction<br>from base<br>year | 2005         | 548,440  | 2015           | Target emissions include<br>those from on-site fuel<br>combustion and purchased<br>electricity |

| ID | Direction of<br>change<br>anticipated in<br>absolute Scope<br>1+2 emissions at<br>target<br>completion? | % change<br>anticipated in<br>absolute Scope<br>1+2 emissions | Direction of<br>change<br>anticipated in<br>absolute Scope 3<br>emissions at<br>target<br>completion? | % change<br>anticipated in<br>absolute Scope<br>3 emissions | Comments   |
|----|---|---|---|---|--|
|    | Increase  | 7.9   | NA  | NA  | While we<br>anticipate<br>company growth<br>of approximately<br>30% from 2005-<br>2015, we expect<br>our GHG<br>emissions to<br>only increase by<br>7.9% do to our<br>energy and GHG<br>reduction efforts<br>and our 15%<br>reduction in<br>GHG intensity. |

Please also indicate what change in absolute emissions this intensity target reflects -

#### 3.1d

# Please provide details on your progress against this target made in the reporting year

| ID       | % complete<br>(time) | % complete<br>(emissions) | Comment |
|----------|----------------------|---------------------------|---------|
| IntTarg1 | 50                   | 13                        |         |

# 3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No {To answer yes to this question and get full points, emissions avoided would have to be calculated. No also brings full points.}

#### 3.3

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

Yes

# 3.3a

Please provide details in the table below

| Activity type                         | Description of activity   | Annual<br>monetary<br>savings<br>(unit<br>currency) | Investment<br>required<br>(unit<br>currency) | Payback<br>period |
|---------------------------------------|---|---|--|-------------------|
| Energy Efficiency:<br>Building Fabric | Voluntary: 26 lighting retrofits had 8 month payback. Impact Scope 2  |   |  | <1 year           |
| Energy Efficiency:<br>Processes       | Voluntary: energy efficiency projects including a giant heat exchanger that recycles hot air from processes to heat fresh air brought in. Impact Scope 1  |   |  | 1-3 year          |
| Other                                 | Voluntary: Energy purchasing and supply-side<br>management; 2 facilities are load-shedding. AD<br>received some rebates/tax breaks for load shedding<br>initiatives. Impact Scope 2   |   |  | 0 (<1 year)       |
| Energy Efficiency:<br>Processes       | Voluntary: Office and Consumer Products business<br>unit conducted kaizen events: projects<br>recommended include AC retrofits, paging<br>controllers, recycling efforts, specific facility<br>reductions and behavioral projects scaled on<br>difficulty, cost and return. Impact on Scopes 1 and<br>2 |   |  | 1-3 year          |
| Energy Efficiency:<br>Processes       | Voluntary: Painesville, OH, USA: air handler<br>replacement and compressor off-gas reused for<br>heating. Impact on Scope 2   |   |  | 1-3 year          |
| Energy Efficiency:<br>Processes       | Voluntary: Champs sur Drac, France: chilled water<br>upgrade; exhaust waste heat exchanger. Impact<br>Scope 1 and 2   |   |  | 1-3 year          |
| Energy Efficiency:<br>Processes       | Voluntary: Fort Wayne, IN USA: Process oven<br>maintenance/repairs – part of wider energy<br>reduction program. Impact on Scope 1   |   |  | 1-3 year          |
| Energy Efficiency:<br>Processes       | Voluntary: Greenfield, IN USA: Process oven<br>maintenance/repairs – part of wider energy<br>reduction program; install exhaust waste heat<br>exchanger. Impact on Scope 1  |   |  | 1-3 year          |

# 3.3b

# What methods do you use to drive investment in emissions reduction activities?

| Method   | Comment |
|--|---------|
| Internal finance mechanisms                    |         |
| Lower return on investment (ROI) specification |         |

#### Page: 4. Communication

# 4.1

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

| Publication                 | Page/Section Reference   | Identify the attachment  |
|-----------------------------|--|--|
| In voluntary communications | 24 - 28  | Pursuing Sustainability:<br>Progress and Outlook<br>October 2010 |
| In voluntary communications | http://www.averydennison.com/avy/en_us/Sustai<br>nability/Environmental-Responsibility | website  |

# Module: Risks and Opportunities [Investor]

#### Page: 5. Climate Change Risks

# 5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

#### No

#### 5.1g

# Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

We do not consider our company to be exposed to regulatory risks. While Avery Dennison recognizes that climate change is an important global issue, the company does not believe that climate change presents significant, direct regulatory risks for its operations. We believe that we are typical in this respect of other companies in our peer group.

Analysis of the company's largest US-based emitting facilities reveals that all of the top 10 are in states which are at a very early stage of development in terms of introducing climate change regulations that might potentially impose extra costs and obligations on Avery Dennison. However, none of our facilities' GHG emissions exceeds current expectations for regulatory thresholds, and our average facilities' emissions are well below those thresholds.

The overseas picture is somewhat more complicated, with a range of facilities located in jurisdictions with a developing regulatory framework in the climate change area. In particular, Avery Dennison has operations in a number of European countries that are subject, at the National level, to emission caps associated with the Kyoto Protocol. We have analysed our carbon footprint in these regions and have looked at the possible short- to medium-term direct and indirect impact of these developments on our energy costs. We believe that whilst our emissions would not themselves be subject to direct regulation in the foreseeable future, we might face increased costs in purchased energy, if a direct tax ("carbon tax") or mandatory emission caps are imposed on utilities and other big emitters – this we refer to as the "pass through cost of carbon".

We modelled the possible pass through cost of carbon based on an assumption that *all* jurisdictions could be indirectly subject to a tax on carbon from 2012. Our analysis indicated that for every tonne of purchased electricity, the pass through cost of carbon could amount to an increase in our energy costs by around 15% per annum by 2016. The scale of this increase in energy costs is relatively low compared to our overall operational costs, and so will not represent a material cost to our business. We also believe that in all likelihood the transition to a situation where, for example, 50% of our purchased electricity is subject to the pass through cost of carbon, will take place over a period of years (perhaps 5-10) which will give us time to adapt to such a change.

Despite the above which shows that the Company is not at significant risk, Avery Dennison maintains an ongoing process to (i) track climate change-related regulatory developments, and (ii) evaluate the potential impacts to its business operations. Also, based on a global GHG emissions inventory, the company's enterprise-wide energy use and associated greenhouse gas (GHG) emissions are relatively low compared to many other industry sectors.

#### 5.1h

# Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure.

We do not consider our company to be exposed to physical climate parameter risks. Based on an analysis of physical climate parameters that have the potential to impact our business, Avery Dennison does not anticipate manufacturing or distribution facilities to be significantly impacted by climate change-induced extreme weather events. The company's facilities are generally located inland, and should not be significantly impacted by sea level rise, flood zones or storm-affected areas. The company does not have sites in the high-catastrophic exposure areas along the Gulf Coast. The Company has some flood exposures:

- Distribution Centers in Kansas City and Kent, Washington;
- Champ-sur-Drac if the dam should fail.
- Dutch flood exposure related to ocean water level.

Increased insurance premiums have not been assigned in the past or currently, nor has there been an adverse or supplemental impact to coverage. Property damage due to flood or severe weather is covered under current Company insurance. We believe that we are typical in this respect relative to other companies in our peer group.

While Avery Dennison could potentially experience disruptions in its supply chain (e.g., shortage or delay of key raw material inputs) resulting from extreme weather events, the company continually seeks to qualify alternative suppliers on a global basis to mitigate such events. The company does not anticipate significant disruptions in the physical distribution of its products resulting from an extreme weather event. Based on current information for these locations, disruption of manufacturing products and transportation of products would be reassigned to other manufacturing or distribution locations under the business continuity plan. The impact to business interruption is not likely to be significant since there are other manufacturing and distribution centers to accommodate business needs.

Demand for the company's products from customers affected by extreme weather events could be impacted; however, given the company's breadth of operations globally and the relatively low degree of customer/industry concentration, Avery Dennison does not consider reduced customer demand following an extreme weather event to be a significant risk to the company's financial bottom line.

#### 5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Avery Dennison does not believe the company is exposed to other significant climate change-related risk - we believe that we are typical in this respect relative to other companies in our peer group. Through preparing GHG emissions inventories, the company's enterprise-wide energy use and associated GHG emissions are low compared to other industry sectors. Regarding energy use, Avery Dennison primarily uses natural gas for drying ovens, emissions control equipment, and

heating/cooling of manufacturing operations and office buildings. In addition, the company purchases electricity for those and other uses. Avery Dennison uses a minimal amount of diesel and other fuels. Avery Dennison understands that possible significant impacts of any climate change legislation in the United States would include (i) increased fuel and electricity costs for its operations; and/or (ii) being a covered source in a cap-and-trade program. As such, Avery Dennison is reviewing options for decreasing the energy (natural gas and electricity) use in key divisions that have the highest energy use and costs.

#### Page: 6. Climate Change Opportunities

#### 6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

No

#### 6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

In the preparation of our climate change strategy this year, opportunities related to regulation were considered over the next 5 years both in the US and overseas. Current or anticipated regulatory requirements do not present significant opportunities for Avery Dennison. Our operations and the operations of our suppliers and customers will not be impacted directly by regulation during this time period due to the size and nature of our operations. We believe that we are typical in this respect relative to other companies in our peer group.

#### 6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

In the preparation of our climate change strategy this year, opportunities related to physical climate parameters were considered over the next 5 years both in the US and overseas. Avery Dennison does not anticipate significant opportunities related to climate change-induced physical parameters due to the nature of our business and that of our customers, primarily retailers and retail suppliers. We believe that we are typical in this respect relative to other companies in our peer group.

#### 6.1i

#### Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Although we have found that are benefits associated with our integration of energy and climate change strategy into our strategic business management, these benefits do not currently represent a significant impact on our business now, nor do we expect it to be in the foreseeable future. Areas where we see some benefit include: reputation and changing customer preferences. We believe that we are typical in this respect relative to other companies in our peer group.

# Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

# Page: 7. Emissions Methodology

#### 7.1

#### Please provide your base year and base year emissions (Scopes 1 and 2)

| Base year                  | Scope 1 Base year emissions (metric tonnes CO2e) | Scope 2 Base year emissions (metric tonnes CO2e) |
|----------------------------|--|--|
| 01/01/2005 –<br>31/12/2005 | 246,613  | 301,827  |

# 7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

# 7.3

#### Please give the source for the global warming potentials you have used

| Gas               | Reference                                      |
|-------------------|--|
| Carbon<br>dioxide | IPCC Second Assessment Report (SAR - 100 year) |
| Methane           | IPCC Second Assessment Report (SAR - 100 year) |
| Nitrous<br>oxide  | IPCC Second Assessment Report (SAR - 100 year) |

# 7.4

# Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

# To be attached

#### Page: 8. Emissions Data - (1 Jan 2010 - 31 Dec 2010)

#### 8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational Control {drop-down selection]

# 8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

173,779

# 8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

384,477

# 8.4

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

Yes

# 8.4a

# Please complete the table

| Source                         | Scope   | Explain why the source is excluded |
|--------------------------------|---------|------------------------------------|
| Mobile Sources                 | Scope 1 | Not material                       |
| Fugitive refrigerant emissions | Scope 1 | Not material                       |
| Process emissions              | Scope 1 | Not material                       |

# 8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

| Scope   | Uncertainty<br>Range           | Main sources of<br>uncertainty                   | Please expand on the uncertainty in your data  |
|---------|--------------------------------|--|--|
| Scope 1 | Less than<br>or equal to<br>5% | Data Collection<br>Published emission<br>factors | Avery Dennison has implemented a worldwide<br>data collection process to assemble purchased<br>electric and fuel usage from its manufacturing<br>and DC facilities and large offices. A small<br>number of facilities (i.e., less than 10,000 sf)<br>have also been excluded from this effort because<br>of their relative size compared to all other<br>facilities. Although there can be inherent<br>uncertainty in collecting information from<br>numerous sites, the data has been verified<br>through a series of data review steps.<br>Furthermore, due to the transient use of propane<br>and diesel at the sites, it is difficult to assure that<br>all usage has been reported. However, these fuel<br>sources are insignificant compared to purchased<br>electric and natural gas. |

| Scope 2 | Less than<br>or equal to<br>5% | Data Collection<br>Published emission<br>factors | Same as above. |
|---------|--------------------------------|--|----------------|
|---------|--------------------------------|--|----------------|

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Not verified or assured

#### 8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Not verified or assured

# 8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e., carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

#### Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

# 9.1

Do you have Scope 1 emission sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

# 9.1a

Please complete the table below

| Country            | Scope 1 metric tonnes<br>CO2e |
|--------------------|-------------------------------|
| Argentina          | 1,587                         |
| Australia          | 1,652                         |
| Belgium            | 5,732                         |
| Brazil             | 3,644                         |
| Canada             | 2,316                         |
| China              | 13,248                        |
| Colombia           | 1,077                         |
| Czech Republic     | 77                            |
| Denmark            | 82                            |
| Dominican Republic | 5                             |
| France             | 7,821                         |
| Germany            | 10,342                        |
| Honduras           | 126                           |
| India              | 4,702                         |
| Ireland            | 16                            |
| Italy              | 563                           |
| Japan              | 2                             |
| Korea              | 2,434                         |
| Luxembourg         | 8,100                         |
| Malaysia           | 1,438                         |
| Mexico             | 1,873                         |
| Netherlands        | 12,294                        |
| Norway             | 8                             |
| Pakistan           | 260                           |
| Poland             | 126                           |
| Romania            | 299                           |
| South Africa       | 929                           |
| <u>Spain</u>       | 11                            |
| Sri Lanka          | 2                             |
| Switzerland        | 1,229                         |
| Thailand           | 1,882                         |
| Turkey             | 294                           |
| United Kingdom     | 5,991                         |
| United States      | 83,617                        |

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply) By business division By GHG type

# 9.2a

# Please break down your total gross global Scope 1 emissions by business division

| Business Division                  | Scope 1 metric<br>tonnes CO2e |
|------------------------------------|-------------------------------|
| Corporate                          | 207                           |
| Office and Consumer Products       | 5,796                         |
| Retail Brand Information Solutions | 16,328                        |
| Label and Packaging Materials      | 119,978                       |
| Specialty Materials & Converting   | 31,471                        |

# 9.2b

Please break down your total gross global Scope 1 emissions by business division NA

### 9.2c

# Please break down your total gross global Scope 1 emissions by GHG type

| GHG type | Scope 1 metric<br>tonnes CO2e |
|----------|-------------------------------|
| CO2      | 173,763                       |
| CH4      | 12                            |
| N2O      | 4                             |

# 9.2d

# Please break down your total gross global Scope 1 emissions by activity

NA

# Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

# 10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

# 10.1a Please complete the table below

| Country                               | Scope 2 metric |  |  |
|---------------------------------------|----------------|--|--|
| , , , , , , , , , , , , , , , , , , , | tonnes CO2e    |  |  |
|                                       |                |  |  |
|                                       |                |  |  |
| Argentina                             | 683            |  |  |
| Australia                             | 5,146          |  |  |
| Bangladesh                            | 4,431          |  |  |
| Belgium                               | 4,354          |  |  |
| Brazil                                | 960            |  |  |
| Canada                                | 305            |  |  |
| China                                 | 80,061         |  |  |
| Colombia                              | 296            |  |  |
| Czech Republic                        | 217            |  |  |
| Denmark                               | 119            |  |  |
| Dominican Republic                    | 329            |  |  |
| Egypt                                 | 48             |  |  |
| El Salvador                           | 738            |  |  |
| France                                | 1,373          |  |  |
| Germany                               | 14,712         |  |  |
| Honduras                              | 2,088          |  |  |
| Hong Kong                             | 7,166          |  |  |
| India                                 | 9,938          |  |  |
| Indonesia                             | 3,910          |  |  |
| Ireland                               | 249            |  |  |
| Italy                                 | 5,352          |  |  |
| Japan                                 | 70             |  |  |
| Korea                                 | 2,900          |  |  |
| Luxembourg                            | 7,769          |  |  |
| Malaysia                              | 1,834          |  |  |
| Mauritius                             | 46             |  |  |
| Mexico                                | 14,184         |  |  |
| Morocco                               | 116            |  |  |
| Netherlands                           | 7,692          |  |  |
| New Zealand                           | 13             |  |  |
| Norway                                | 7              |  |  |
| Pakistan                              | 225            |  |  |
| Peru                                  | 20             |  |  |
| Philippines                           | 33             |  |  |
| Poland                                | 437            |  |  |
| Portugal                              | 21             |  |  |
| Romania                               | 639            |  |  |
| Singapore                             | 200            |  |  |
| South Africa                          | 2,628          |  |  |
| Spain                                 | 229            |  |  |
| Sri Lanka                             | 1,524          |  |  |
| Switzerland                           | 72             |  |  |
| Taiwan                                | 8,146          |  |  |
| Thailand                              | 4,143          |  |  |
| Turkey                                | 3,173          |  |  |
| United Arab Emirates                  | 305            |  |  |
| United Kingdom                        | 5,833          |  |  |
| United States                         | 178,323        |  |  |
| Vietnam                               | 1,424          |  |  |
| · · · · · · · · · · · · · · · · · · · | 1,127          |  |  |

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply) By business division By GHG type

# 10.2a

#### Please break down your total gross global Scope 2 emissions by business division

| Business division                  | Scope 2<br>metric<br>tonnes<br>CO2e |
|------------------------------------|-------------------------------------|
| Corporate                          | 739                                 |
| Office and Consumer Products       | 28,916                              |
| Retail Brand Information Solutions | 142,293                             |
| Label and Packaging Materials      | 166,170                             |
| Specialty Materials & Converting   | 46,358                              |

# 10.2b

Please break down your total gross global Scope 2 emissions by facility

NA

# 10.2c

Please break down your total gross global Scope 2 emissions by activity

#### NA

#### Page: 11. Emissions Scope 2 Contractual

# 11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

# 11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

# What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5% {drop-down selection}

# 12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

| Energy<br>type | MWh     |
|----------------|---------|
| Fuel           | 937,549 |
| Electricity    | 604,607 |
| Heat           | 0       |
| Steam          | 0       |
| Cooling        | 0       |

# 12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

| Fuels          | MWh     |
|----------------|---------|
| Natural gas    | 890,892 |
| Gas/Diesel oil | 37,885  |
| Propane        | 8,772   |

#### Page: 13. Emissions Performance

#### 13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

increased {drop-down selection}

# Please complete the table

| Reason   | Emissions<br>value<br>(percentage) | Direction of change | Comment   |
|--|------------------------------------|---------------------|---|
| Increased business activity causing<br>increase in purchased electricity,<br>propane and diesel use and therefore<br>associated CO <sub>2</sub> e emissions. Reduction<br>in use of natural gas as a result of a<br>reduction program partially mitigated<br>these increases | 4                                  | increase            | Despite a significant decrease in<br>CO <sub>2</sub> e emissions associated with<br>natural gas (-14,704 metric tonnes<br>CO <sub>2</sub> e), all other scope 1 emissions<br>increased (diesel +3,586 metric<br>tonnes CO <sub>2</sub> e and propane +1,228<br>metric tonnes CO <sub>2</sub> e). Scope 2<br>emissions also increased by 33,125<br>metric tonnes CO <sub>2</sub> e |

# 13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

| Intensity<br>figure | Metric<br>numerator | Metric<br>denominator     | % change<br>from<br>previous<br>year | Direction of<br>change from<br>previous year | Explanation  |
|---------------------|---------------------|---------------------------|--------------------------------------|--|--|
| 85.8                | mtCO2e              | US\$ 1,000,000<br>Revenue | 4.6%                                 | decrease                                     | The decreased energy intensity<br>compared to prior year is<br>attributable to energy efficiency<br>activities and increased<br>production in 2010 allowing<br>greater optimization of assets. |

#### 13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

| Intensity<br>figure | Metric<br>numerator | Metric<br>denominator | % change<br>from<br>previous<br>year | Direction of<br>change from<br>previous year | Explanation                                 |
|---------------------|---------------------|-----------------------|--------------------------------------|--|---|
| 17.4                | mtCO2e              | Per FTE               | 1.8                                  | Increase                                     | GHG emissions<br>increased more than<br>FTE |

#### Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next 2 years. {drop-down selection}

# 14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

# No

#### Page: 15. Scope 3 Emissions

### 15.1

# Please provide data on sources of Scope 3 emissions that are relevant to your organization

| Sources of Scope 3<br>emissions | metric tonnes<br>CO2e | Methodology | If you cannot provide a figure for emissions, please describe them   |
|---------------------------------|-----------------------|-------------|--|
| Employee travel                 | Not measured          | n/a         | Avery Dennison has over 200 facilities in<br>the US and overseas. Senior and middle<br>management staff travel on business,<br>utilising vehicles/aircraft not owned or<br>operated by Avery Dennison. Relative to<br>our overall Scope 1 and Scope 2<br>emissions, we believe that Scope 3<br>emissions from this source are relatively<br>small. |
| Raw material suppliers          | Not measured          | n/a         | Avery Dennison has a complex supply<br>chain made up of a wide range of raw<br>material suppliers. Relative to our overall<br>Scope 1 and Scope 2 emissions, we<br>believe that these Scope 3 emissions will<br>be a significant quantity, however spread<br>across a large number and types of<br>suppliers.                                      |

Currently, Avery Dennison does not quantify Scope 3 emissions as part of its GHG inventory program.

#### 15.2

# Please indicate the verification/assurance status that applies to your Scope 3 emissions

No emissions data provided. {drop-down selection}

# 15.3 How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

We don't have any emissions data. {drop-down selection}

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Danny Wong, Director, Corporate Sustainability

Carbon Disclosure Project