

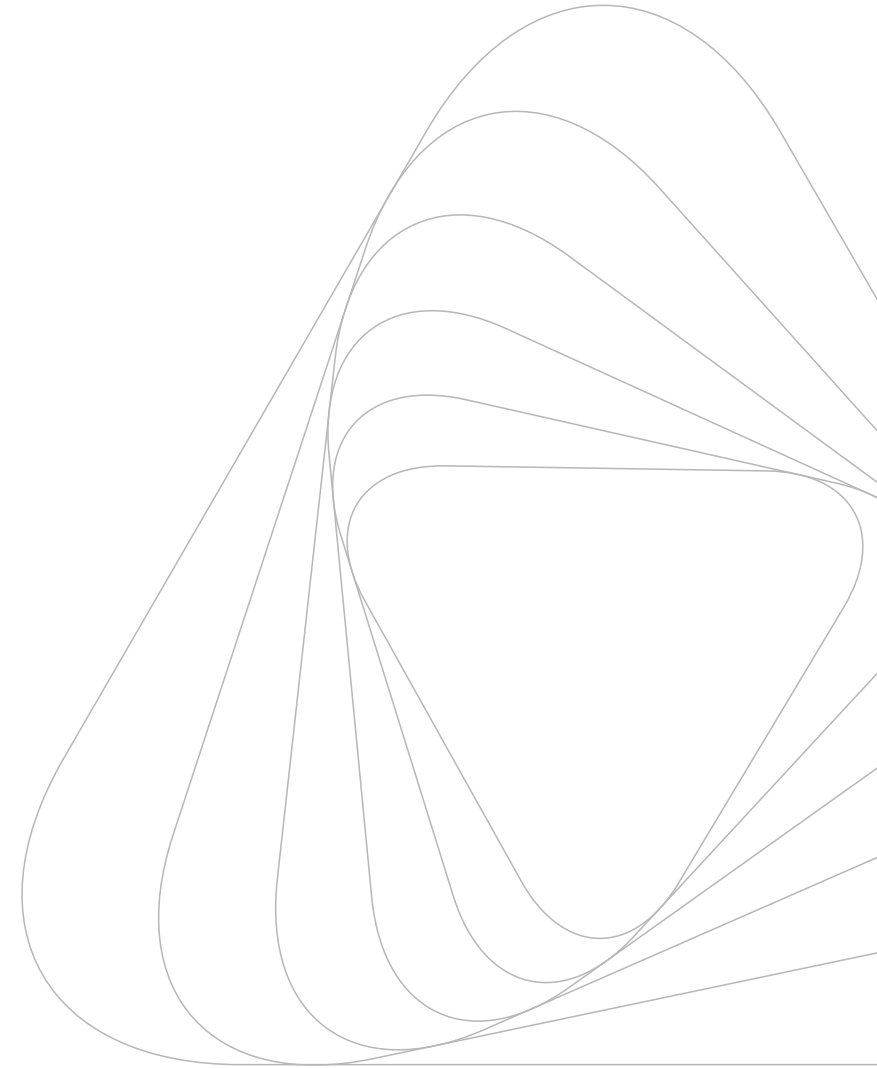
Seeing Our Progress

2017-2019 Progress Against Our Sustainability Goals
(Includes 2019 Materiality Assessment)



Contents

- 03 Intro
- 04 Our Eight Sustainability Goals
- 05 Reducing Greenhouse Gases and Protecting the Environment
- 10 Maintaining a Safe, Inclusive, Ethical Workplace
- 15 Strengthening Our Communities
- 17 Sharpening Our Strategy
- 20 ESG Investor Download



Digging into the data.

We prepared this graphic supplement to our [2019 Integrated Annual Report](#) as a resource to provide additional information on the progress of our sustainability and corporate social responsibility initiatives. The data provided is from January 1, 2017 through December 31, 2019 and unaudited. We're pleased that, overall, the data here paints a picture of a company moving consistently forward and a global team passionately committed to making a difference and improving our performance over time. For more about our sustainability efforts, please visit averydennison.com/sustainability.

Our Eight Sustainability Goals

We're working to reach the following goals by 2025:



Greenhouse gas emissions

Reduce absolute greenhouse gas emissions (GHG) by 3% year-over-year, and at least a 26% reduction compared to our 2015 baseline.



Paper

We will source 100% certified paper, of which at least 70% will be Forest Stewardship Council® (FSC)-certified.



Waste

Our operations will be 95% landfill-free, with 75% of our waste reused, repurposed or recycled, and we will help our customers reduce the waste from our products by 70%.



Chemicals

70 percent of the chemicals we buy will conform to, or will enable end products to conform to, our environmental and social guiding principles.



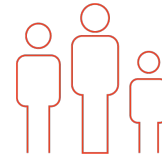
Film

70 percent of the film we buy will conform to, or will enable end products to conform to, our environmental and social guiding principles.



Products and solutions

70% of the products we sell will conform to, or will enable end products to conform to, our sustainability principles



People

We will maintain world class safety and engagement scores and cultivate a diverse workforce with 40% of leadership positions filled by women.



Transparency

We will be public and transparent in the reporting of our progress.

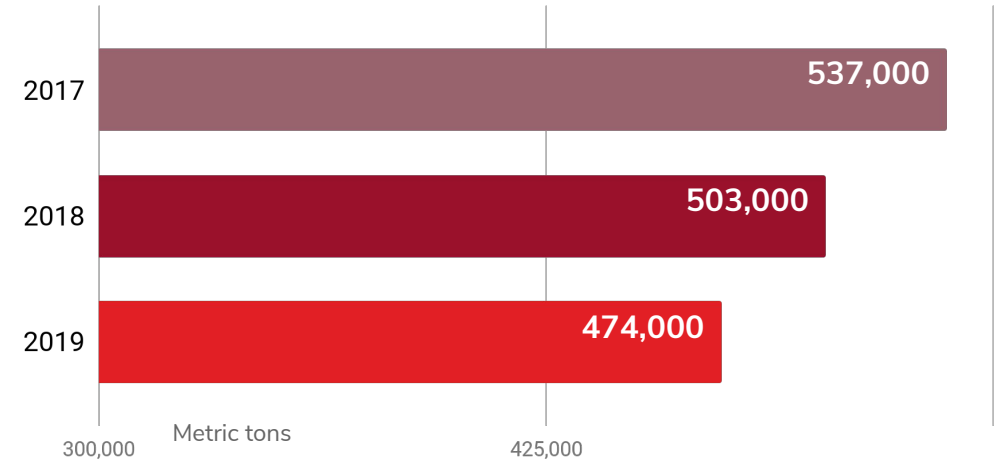
Reducing Greenhouse Gases and Protecting the Environment



Reducing Greenhouse Gases and Protecting the Environment

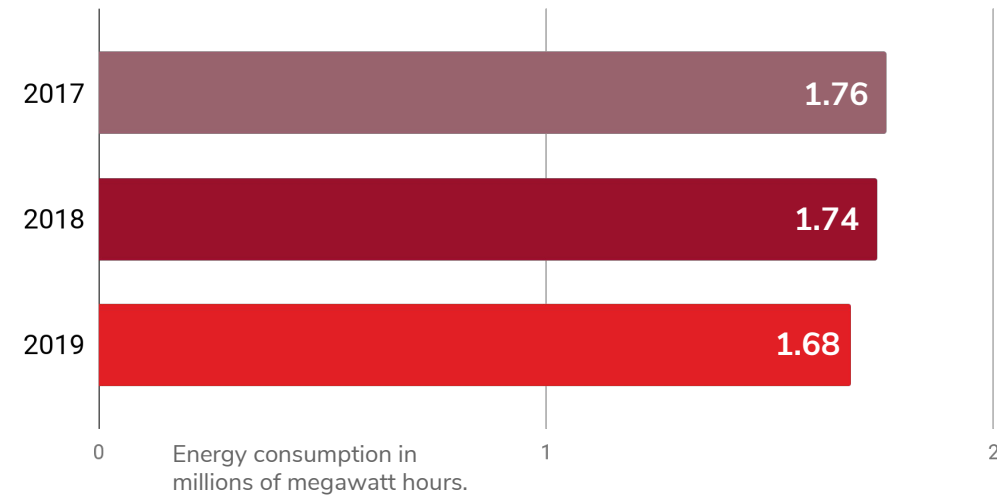
Reducing Absolute CO2e Emissions*

Our goal is to reduce our absolute greenhouse gas emissions by 3% year over year, and by at least 26% through the end of 2025 compared to our 2015 baseline. As of the end of 2019, we had reduced our emissions by 31.5% against the baseline, including year-over-year reductions between 2017 and 2019 that significantly exceeded our 3% target. We've achieved reductions through a variety of means, including by improving energy efficiency, sourcing renewable power, and procuring renewable energy certificates.



Managing Energy Consumption

Between 2017 and 2019, we reduced our energy consumption by just over 4.4%, from 1,757,966 megawatt hours to 1,679,995 megawatt hours. Our energy consumption has decreased by more than 11% since our baseline year of 2015, even though our net sales grew by more than 18% over the same period.

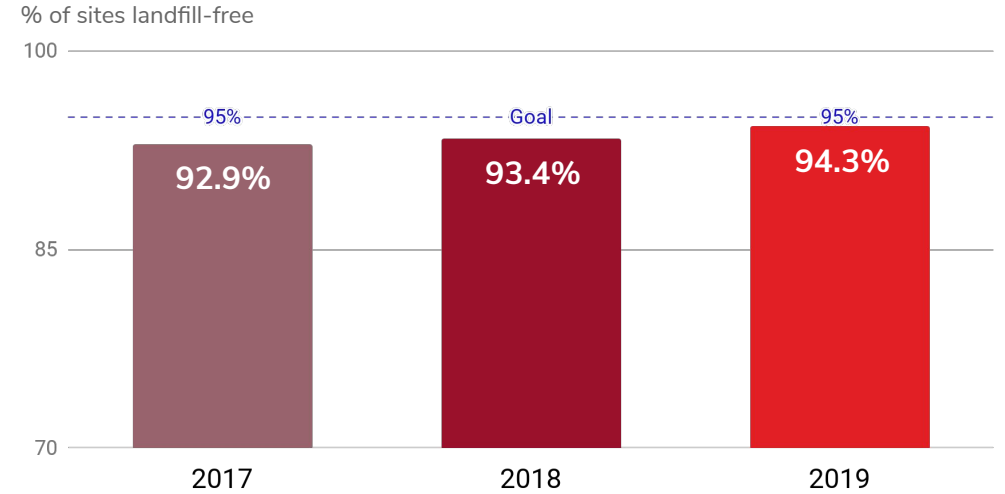


*GHG emissions in metric tons from electricity and fuels used on site, and other sources minus green energy credits (market based emissions)

Reducing Greenhouse Gases and Protecting the Environment

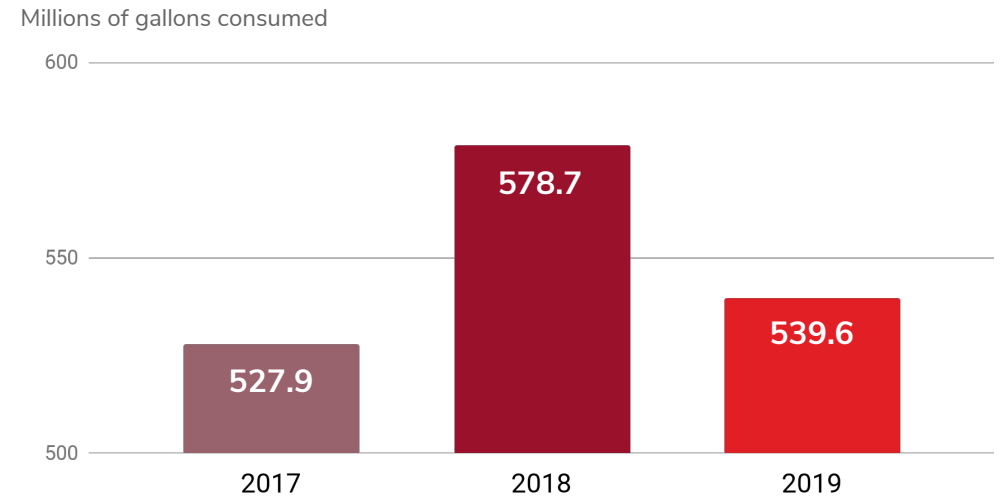
Landfilling Less

One of our 2025 sustainability goals is to be 95 percent landfill-free, with at least 75 percent of waste reused, repurposed or recycled. We're making steady progress, with 94 percent of our waste having been disposed of without landfilling in 2019.



Using Water Wisely

Between 2017 and 2019, we consumed approximately 1.6 billion gallons of water—an increase over the approximately 1.1 billion we used during the prior two-year period. Our increased usage in 2018 was mainly attributable to our acquisition of Yongle Tape Company, whose business is more water-intensive than other parts of our operations. Our reductions in 2019 were mostly attributed to our operations in Hebei, which reduced its water usage by 15% YoY. Generally speaking, we use relatively little water in our direct operations compared to manufacturing companies in other industries. As part of our overall commitment to sustainability, we track our water consumption and look for ways to use water more efficiently.

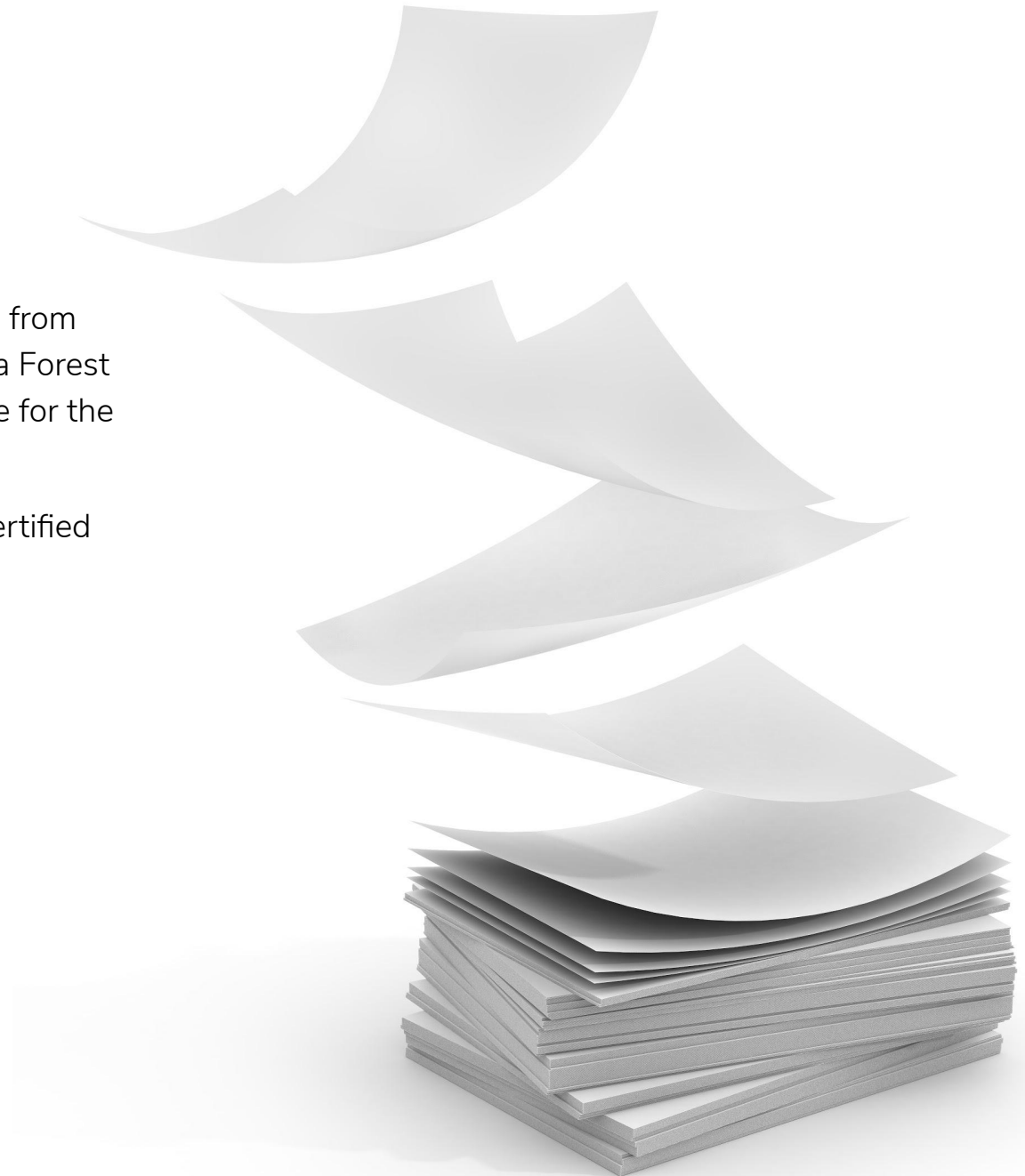
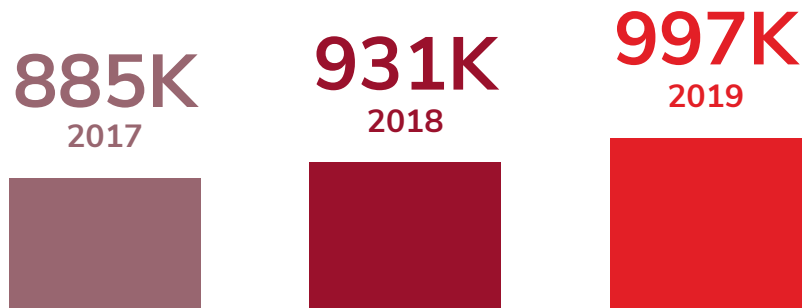


Moving to Certified Paper

Since 2013, we've worked to purchase more of our paper made from fiber certified as sustainable, buying paper when possible with a Forest Stewardship Council® (FSC®) claim or paper that is Programme for the Endorsement of Forest Certification (PEFC) certified.

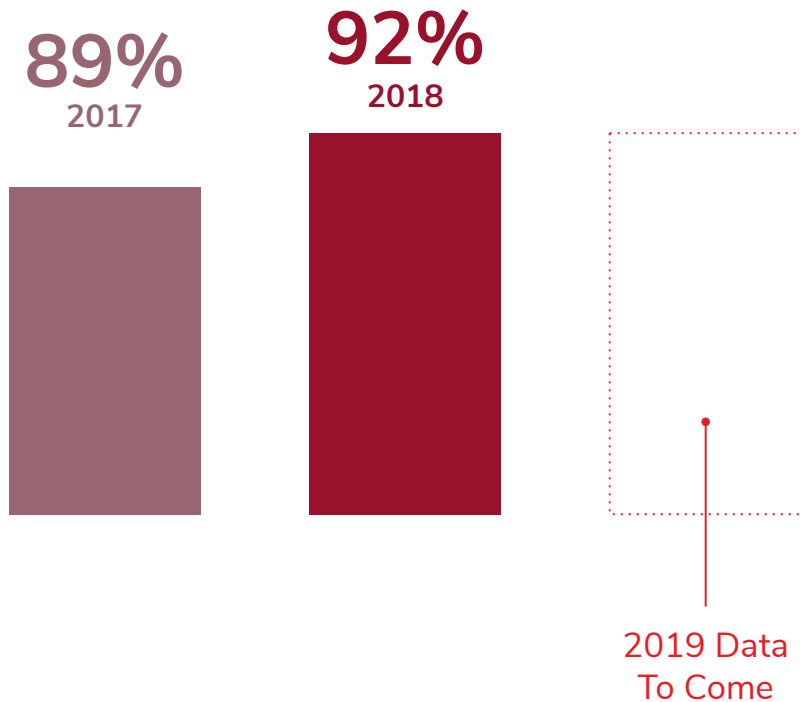
One of our 2025 sustainability goals is to source 100 percent certified paper, of which 70 percent will be FSC-certified.

Paper Purchased (metric tons)

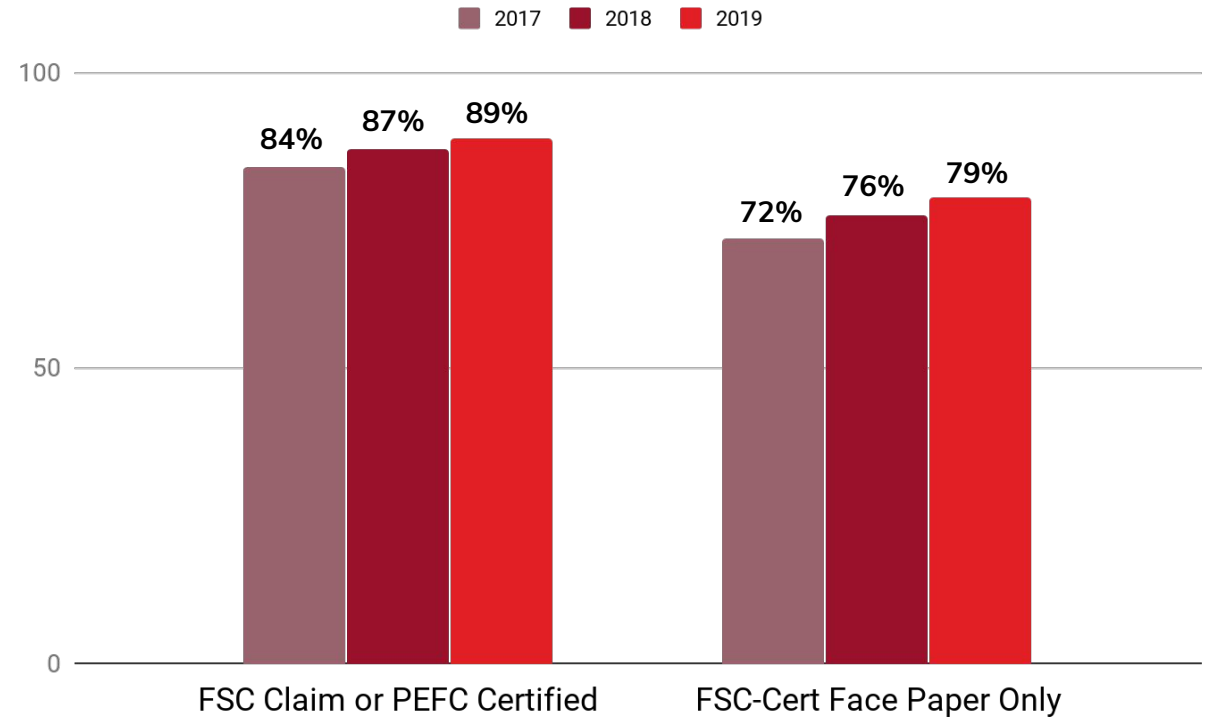


Reducing Greenhouse Gases and
Protecting the Environment

Paper Validated by Rainforest Alliance (%)



FSC Certified Paper (%)



We increased the amount of certified-claim paper we bought by 6% between 2017 and 2019, from 84% to 89% of our total paper procurement. We increased the amount of FSC-certified paper we procured to 79%.

Maintaining a Safe, Inclusive, Ethical Workplace

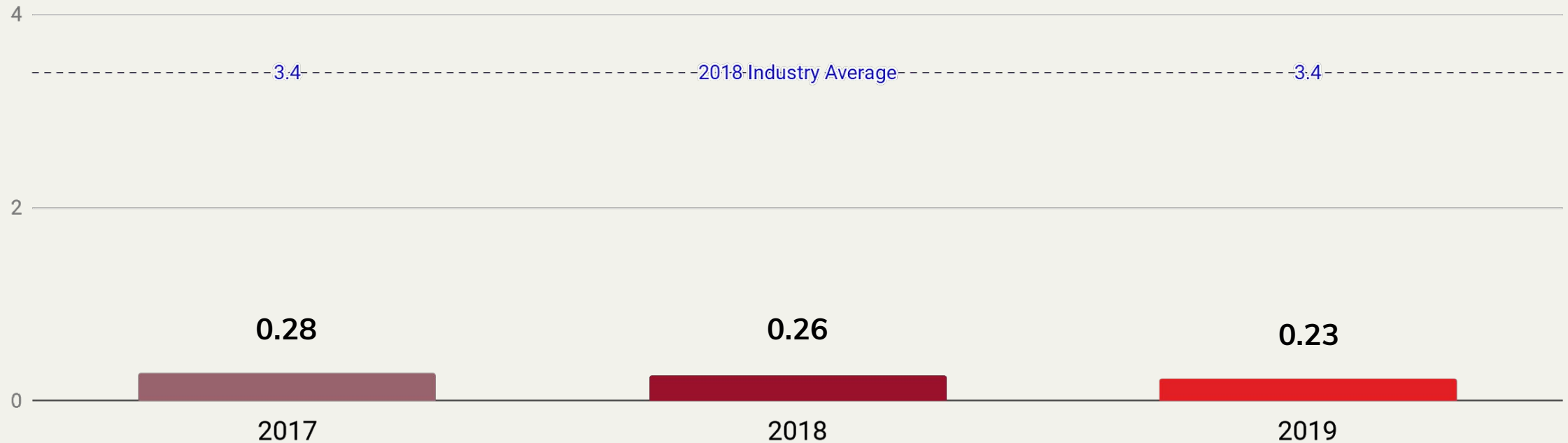


Upholding Our World-Class Safety Record

Recorded Incident Rate

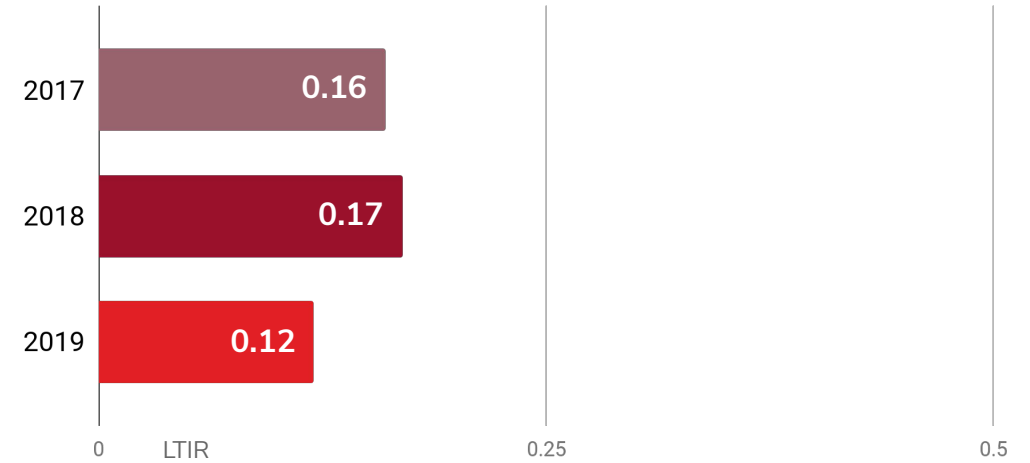
We have maintained a world-class Recordable Incidence Rate for many years running, and our safety performance remained strong in 2019. On average, 80% of our facilities are free of recordable injuries each year, and our global Recordable Incident Rate of 0.23 in 2019 was significantly lower than the U.S. Occupational Safety and Health Administration manufacturing industry average of 3.4 in 2018 (the most recently available industry average). As of the publication of this report, 32% of our facilities have operated injury-free for more than five years.

Work-related injuries per 100 employees



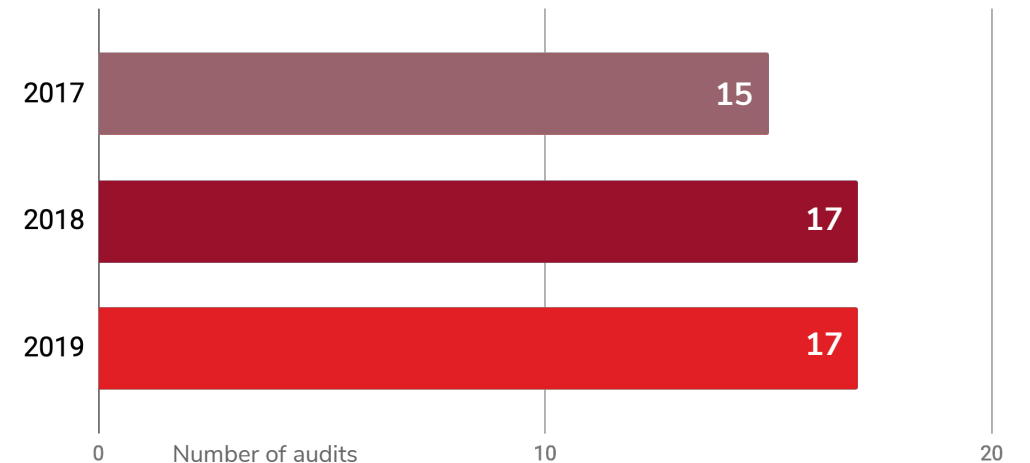
Lost Time Incident Rate

Our lost-time incident rate is defined by the U.S. Occupational Safety and Health Administration as the number of work-related injuries or illnesses per 100 employees that result in days away from work, restricted work or transfer. After increasing slightly in 2018, our 2019 lost-time rate of 0.12 improved the 2017 rate of 0.16.



Environmental, Health and Safety Audits

To ensure that we're following our own standards and the regulations of the countries where we do business, we conduct environmental, health and safety (EHS) compliance audits at our manufacturing sites. Audits are conducted by a team of our own employees assisted by third-party consultants who speak the local language and provide expertise in local regulations. We conducted audits at 49 of our facilities between 2017 and 2019. Audit results facilitate continuous improvement in workplace safety and environmental protection.

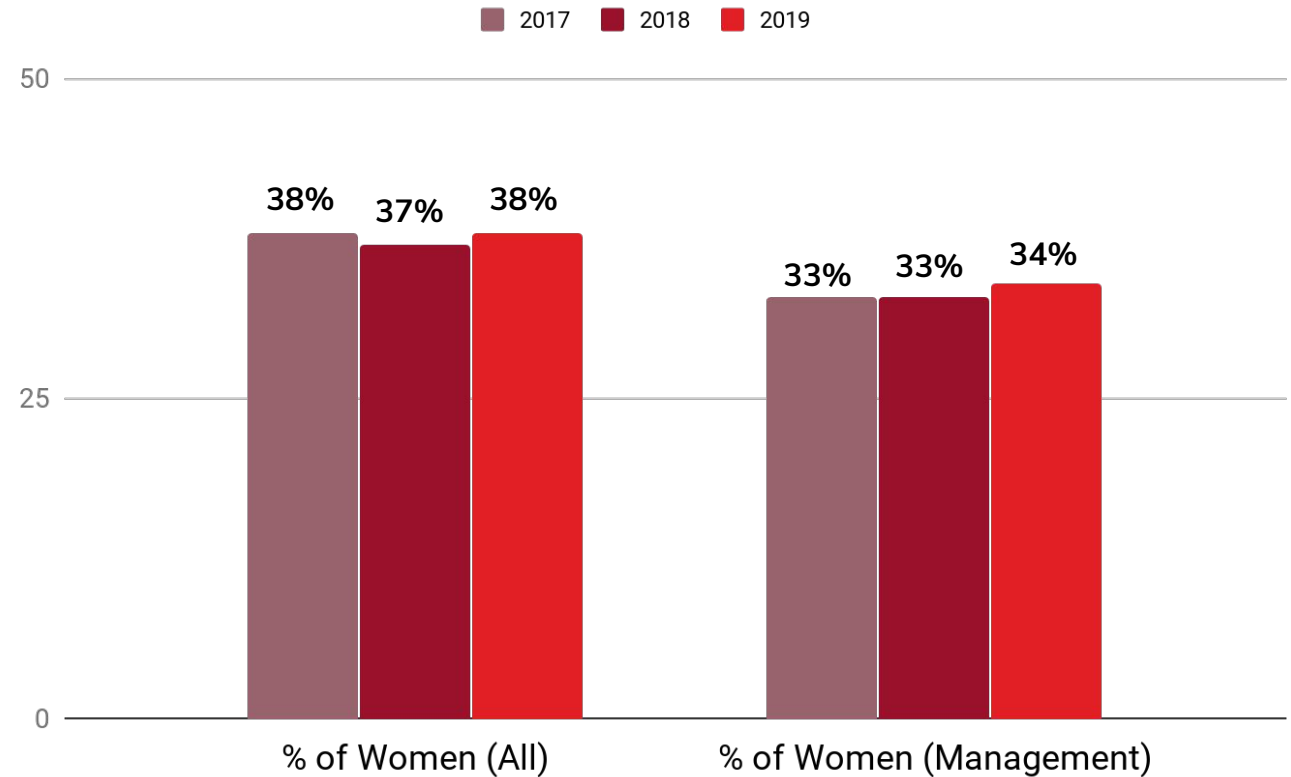


Increasing the Number of Women in Management

Since 2013, as part of our broader diversity and inclusion programs, we've been particularly focused on increasing gender diversity. In 2014, we set a goal for women to hold at least 40% of our leadership positions, which we define as manager-level and above, by the end of 2018. We pursued that goal by implementing more flexible work arrangements, developing female employees' leadership skills, and raising awareness of unconscious gender bias across our company. And while we've seen success in all three areas, we ended 2018 at 33%—short of our 40% goal, but significantly improved over our 2013 baseline of 28%.

Because making leadership opportunities more available to women is essential to our success and to creating a more just society, we are continuing to pursue our goal with a new target date of 2025, which aligns with our sustainability goals. And we've seen success in all three areas, resulting in a significant improvement in the percentage of management roles filled by women (33% in 2018, compared to 2013 baseline of 28%), though short of our 40% goal.

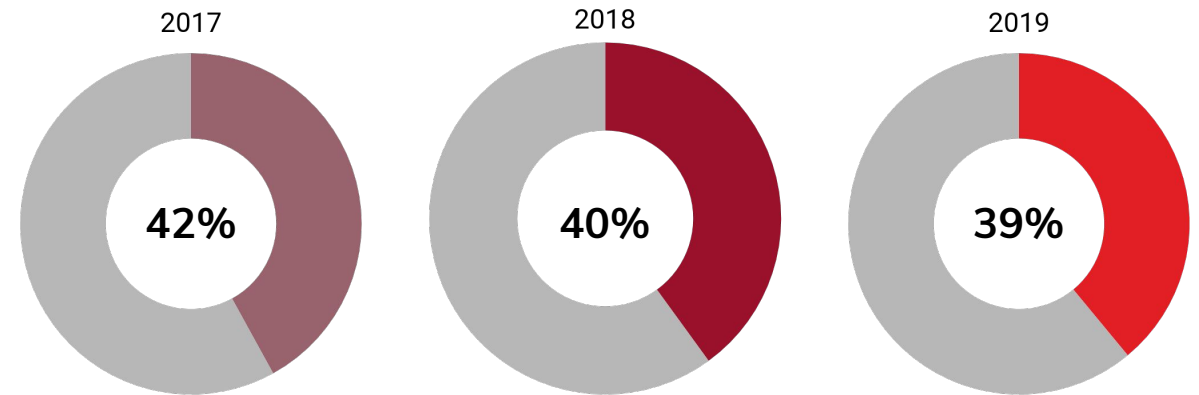
Women in Our Workplace



Working to Improve Internal Mobility

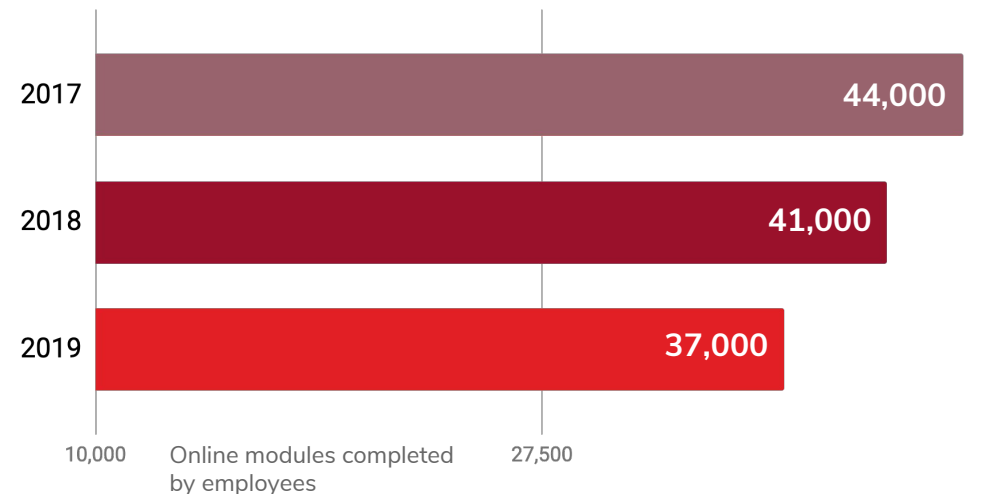
We strive for Avery Dennison to be a place where people can build rewarding careers. Whenever possible, we hire from within. The percentage of internal hires for positions at manager and above decreased from 42% in 2017 to 39% in 2019. The decrease was attributable in part to a higher-than-usual number of open positions in 2019. Our system for tracking internal hires does not account for employees who rise in our ranks through direct promotion rather than through an open hiring process in which external candidates are also considered.

% of manager-level and above positions filled with internal candidates



Providing Values and Ethics Training

To ensure that our employees know, understand and live up to our Code of Conduct and high ethical standards, we conduct multiple online trainings for employees annually. The number of training modules completed by our computer-based employees declined from 43,908 in 2017 to 36,512 in 2019. The decline was due in part to a slight reduction in course modules; in 2019, we combined topics resulting in fewer modules that contained broader content.



Strengthening Communities



Strengthening Communities

Annual Giving

We aim to be a force for good not only in the industries we serve, but also in the places where we live and work, by contributing funds, expertise, and volunteer time. We make the majority of our community investments through the Avery Dennison Foundation. The Foundation's mission is to advance education, sustainability and women's empowerment in the communities where our employees live and work, and to encourage employee engagement with a spirit of invention and innovation. Each year, the Avery Dennison Foundation invests at least 5 percent of its assets from the previous year. Since 2017, giving through the Avery Dennison Foundation totaled \$3.3 million.



2017

1,650,000

2018

1,860,000

2019

1,440,000

Sharpening Our Strategy

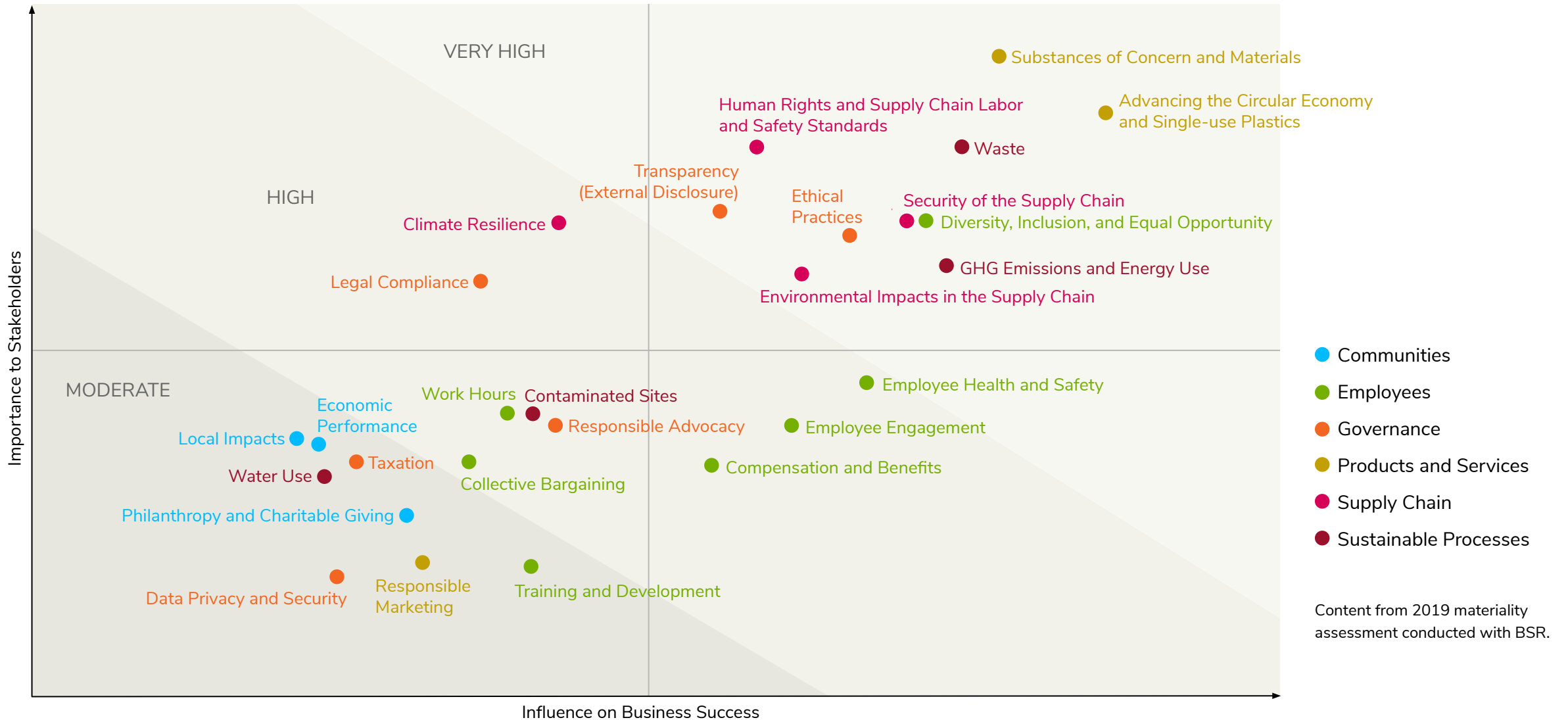


Assessing Materiality

We regularly review our sustainability goals and priorities. In 2018, we partnered with third-party consultant Business for Social Responsibility (BSR) to conduct our most recent materiality assessment. We identified the sustainability concerns most material to our business and most of concern to our stakeholders. As part of the process, BSR sought feedback from a variety of people with a stake in our actions, including employees, customers, NGOs, investors and board members. Their input helped us understand what we're doing well and identify opportunities for improvement.

Through our assessment, we confirmed that our sustainability priorities are related to the areas most relevant to our business—areas in which we can make the biggest difference.

Materiality Assessment



View the [Environmental, Social and Governance policies and metrics \(ESG\) Download >](#)



Seeing Our Progress

2017-2019 Progress Against Our Sustainability Goals

Learn more.

Find the latest on our sustainability efforts at our sustainability website.

We welcome your feedback.

Contact Us averydennison.com/contactus

Email info@averydennison.com



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