



Slavery and Human Trafficking Statement

This statement outlines the steps that Avery Dennison Corporation and its UK affiliates (Avery Dennison Materials UK Limited, Avery Dennison Retail Information Services UK Limited, Avery Dennison UK Limited, Avery Dennison UK II Limited and Mactac UK Limited) have taken to prevent slavery and human trafficking in Avery Dennison's own business and in its supply chain. It is made in accord with Section 54 of the Modern Slavery Act 2015 and covers our fiscal year ending 31 December 2018.

Our Business and Supply Chain

Avery Dennison is a global materials science and manufacturing company specializing in the design and manufacture of a wide variety of labeling and functional materials. The company's products, which are used in nearly every major industry, include pressure-sensitive materials for labels and graphic applications; tapes and other bonding solutions for industrial, medical and retail applications; tags, labels and embellishments for apparel; and radio-frequency identification (RFID) solutions serving retail apparel and other markets. Our products are virtually everywhere you look, providing a crucial thread in the fabric of global commerce.

Avery Dennison is divided into three core businesses: Label and Graphic Materials (LGM), Retail Branding and Information Services (RBIS), and Industrial and Healthcare Materials (IHM). Our headquarters are in Glendale, California, and we operate in more than 50 countries worldwide with approximately 30,000 employees. In 2018, our global sales revenue was \$7.2 billion. Further information about Avery Dennison, our business, and our organizational structure can be found at www.averydennison.com

Our Values and Policies Regarding Slavery

Avery Dennison is a values-based company. We want to be known as much for our ethics and integrity as for our innovation. That's why we continually work to ensure that our employees and business partners, including suppliers, know, understand and live up to our high ethical standards.

Avery Dennison is committed to treating every employee fairly and with respect, and we require the same of our suppliers. We understand that slavery, human trafficking, servitude and forced labour are global challenges for governments and businesses. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We have zero tolerance for such practices, and we recognize our responsibility to be aware of the risks within our own organisation and supply chain, and to take proactive measures to prevent and remediate such practices.

As a result, we remain committed to advancing human rights and fair labor practices in our business and supply chain. Our internal corporate **Employment Standards** and published [Global Supplier Standards](#) are guided by the broad principles advanced by the United Nations and the International Labour Organization. Both sets of standards, as well as our [Code of Conduct](#) and our [Values](#), help to ensure consistent and fair employment practices -- including the prevention and remediation of slavery, human trafficking, servitude or forced labour -- in our facilities and those of our suppliers and sub-contractors worldwide.

Values and Code of Conduct

Our culture is the foundation of everything we do at Avery Dennison, and our company **Values** are the basis of that culture. Our **Values** shape our behavior and support our business and people. They also drive how we treat our employees and how we expect our suppliers and sub-contractors to treat their employees. Two values of specific relevance to our efforts to prevent slavery and human trafficking are **Integrity** and **Sustainability**. We act with integrity by doing the right thing always. We put ethics above profit. We are



honest and transparent in all we do. And our emphasis on sustainability means that we are focused on the long-term health of our business, planet and communities. Indeed, we work to better our communities.

Avery Dennison's **Code of Conduct** is mandatory and establishes the requirement that everyone working for and with us uphold our commitment to honest and ethical business practices. Among other things, it requires equal opportunity to all employees and applicants, and prohibits unlawful discrimination or harassment. The obligations in our **Code of Conduct** apply to our suppliers as well:

- We do not permit our suppliers to use child labor or forced labor.
- We require suppliers to provide their employees with a safe and healthy workplace, and to operate in compliance with all local environmental, health and safety laws.
- We do not allow any kind of bribe, kickback or other form of personal payment tied to our business arrangements.

Employment Standards, Global Supplier Standards and Social Compliance Supplementary Standards

Avery Dennison's **Code of Conduct** is the foundation of our culture and drives the behaviors we require of our employees and suppliers. It also underpins the more specific obligations contained in our **Employment Standards, Global Supplier Standards** and **Social Compliance Supplementary Standards**.

These standards underscore our commitment to integrity in business activities, meeting government laws and regulations, providing employees with a safe and healthy working environment, treating employees with dignity and respect, and protecting and preserving the environment. Avery Dennison's **Employment Standards** are mandatory and apply to all of our business units around the world. Avery Dennison's suppliers are also obligated to comply with our **Global Supplier Standards**, which mirror our **Employment Standards** and describe the working conditions and employment standards with which our suppliers are required to comply. Specifically, all of our business units and suppliers must meet the employment standards described below:

- **Compensation.** Business units, suppliers and sub-contractors must compensate all employees in compliance with all applicable local laws pertaining to wages, including overtime and benefits. Business units, suppliers and sub-contractors may not make deductions from pay for disciplinary infractions.
- **Hours of Labor.** Except in extraordinary business circumstances, business units, suppliers and subcontractors must limit the number of hours worked in any seven (7) day work week to no more than sixty (60) hours, and employees must be given a minimum of one (1) day off in every seven (7) day work period. Where local standards differ, the requirements that provide for fewer hours per work week shall apply.
- **Forced Labor.** Business units, suppliers and sub-contractors must not use forced labor under any circumstances, including prison labor, indentured labor or debt bondage.
- **Child Labor.** Business units, suppliers and sub-contractors must not use child labor. The term "child" refers to a person younger than 15 or the local legal minimum age for employment, whichever is higher.
- **Discrimination/Human Rights.** Business units, suppliers and sub-contractors must not discriminate against any person or employee based on race, color, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation or veteran status.
- **Freedom of Association.** Business units, suppliers and sub-contractors must respect the rights of workers to freely associate, form and join organizations of their own choice and bargain collectively.
- **Disciplinary Process.** Business units, suppliers and sub-contractors must not utilize any form of physical or mental disciplinary practices such as coercion, harassment, (including sexual harassment), threats or corporal punishment.



- **Environmental, Health and Safety.** The health and safety of employees is paramount to Avery Dennison. Business units, suppliers and sub-contractors must provide their employees with a safe and healthy workplace, and operate their facilities in compliance with all local environmental, health and safety laws.

Our [Social Compliance Supplementary Standards](#) describe sub-contractor obligations with regard to, among other things, forced labor and child labor in more detail and include specific case studies to assist suppliers with compliance.

Employee and Third Party Awareness of Our Policies

We regularly train all of our employees on our policies and procedures. We conduct training regarding our **Code of Conduct** at least every other year. In addition, we require designated employees with computers to complete four online training courses per year covering a variety of compliance topics. In 2018, 41,231 such online courses were completed globally. Additionally, our Law Department conducts a minimum number of instructor-led training sessions each year. In 2018, the Law Department conducted **318** instructor-led training sessions globally. Finally, to ensure that the policies and principles encompassed in our **Code of Conduct** reach all of our employees globally, we also develop and launch three Values and Ethics “Talkabout” toolkits each year, which managers use to engage in meaningful discussion with their teams regarding topics from the **Code of Conduct**.

We also train suppliers in regions and countries that are considered high risk based on their scores on Transparency International’s Corruption Perception Index and the International Labour Organization’s assessments of child and forced labor. Additionally, suppliers and sub-contractors who are audited directly by us or by our third-party providers necessarily understand our strict prohibitions against slavery and human trafficking.

Risk Assessment and Due Diligence Processes

We have systems in place to identify and assess potential risk areas in our business and supply chain, mitigate the risk of slavery and human trafficking occurring in our business and supply chain, monitor other potential risk areas in our business and supply chain, and protect whistle blowers:

Ensuring Compliance At Our Facilities

To ensure compliance with our **Employment Standards** and **Social Compliance Supplementary Standards**, we conduct periodic audits at our owned and operated RBIS facilities around the world. We prioritize facilities to be audited according to their risk profile, taking into account factors like past audit performance and the prevailing labor conditions in the country where the facility is located. The audits are conducted by Elevate, a third-party workplace auditor. In 2018, we conducted audits of 19 of our RBIS manufacturing sites. Audits of our facilities cover 151 areas of compliance. Audit findings are captured, and sites are responsible for making changes necessary to comply with our policies. In addition to audits, we also provide employee training to ensure managers and employees understand their rights and our expectations.

Supplier and Sub-Contractor Selection

Our RBIS business operates a **Global Outsource Supplier Approval Procedure** prior to engaging sub-contractors to ensure their compliance with our **Global Supplier Standards** and **Social Compliance Supplementary Standards**. The **Global Outsource Supplier Approval Procedure** standardizes the global approval for all outsource suppliers in RBIS and ensures that the required approval process has been carried out, prospective suppliers or outsource partners are screened, also on possible associations with child or forced labour, and that suppliers meet all of our approval criteria- including passing a social compliance audit- before being an approved supplier.



Existing Supplier and Sub-Contractor Audits

Our RBIS business operates a thorough oversight program for the subcontractors to whom it often outsources production of clothing labels, tags and other finished goods to ensure they comply with our **Global Supplier Standards** and **Social Compliance Supplementary Standards**. Through the program, we provide subcontractors with information and training to help them understand and comply with our standards. Third-party auditors then visit subcontractor facilities on our behalf. They inspect living conditions in employee dormitories, wages and working hours, employee insurance coverage, fire safety and more. We promptly suspend business with suppliers found to be noncompliant with certain criteria, such as child labor and fire safety. If suppliers are found to be noncompliant in other less critical areas, we work with them to help raise their standards. We believe working with key partners on improving their compliance is the most effective way to create change in our industry.

In 2018, RBIS, which primarily serves the apparel industry, conducted a total of 91 audits of our approximately 280 RBIS sub-contractors. Previously in 2016, RBIS conducted a baseline assessment of its social compliance program, comparing it to those of peer companies. The analysis revealed that the RBIS program leads in its industry in terms of both depth and frequency of audits.

Our LGM business, which also procures materials and supplies for our IHM business, introduced its own oversight program for top suppliers in 2016, based on a platform developed by the third-party consultant EcoVadis. The approach rates suppliers based on their answers to an online questionnaire covering a range of labor and human rights issues that align with our **Global Supplier Standards**. Our policy is to intervene with suppliers that reveal themselves to be high risk and help them improve. If improvements are not made within a specified time frame, our policy is to terminate our relationship with the company. In 2018, EcoVadis audited 213 of our suppliers, representing approximately 83% percent of LGM's procurement spending. Similar to RBIS, LGM is also working on a global outsource supplier approval procedure prior to engaging suppliers and sub-contractors to ensure their compliance with our **Global Supplier Standards** and **Social Compliance Supplementary Standards**, which is expected to be implemented in 2019.

Reporting

Avery Dennison encourages employees and third parties to report potential violations of our **Code of Conduct**, **Employment Standards**, **Global Supplier Standards**, and **Social Compliance Supplementary Standards**. Various channels are available to report any concerns related to those policies, including raising concerns to their line managers, Human Resources, Internal Audit, or the Law department. Employees may also raise their concerns— anonymously, if they choose— by contacting our Business Conduct GuideLine using one of several toll-free hotlines in the countries where we do business, or filing a report online at via a secure system. Our GuideLine is operated by an independent third party and accepts reports in any language to accommodate our global workforce, customers and suppliers. All reports are investigated under the direction of our Chief Compliance Officer, in consultation with the Law department and senior management, and with oversight from the Governance and Social Responsibility Committee.

In 2018, we received 164 reports to our Business Conduct GuideLine. None of the 164 reports concerned slavery, human trafficking, forced labour, or servitude.

We, of course, prohibit retaliation for good-faith reporting of concerns.

Next Steps

We have also started to carry out supply chain due diligence in what we consider potentially higher risk supply chains. Avery Dennison has a due diligence process in place, as required by and in accordance with the relevant US legislation on conflict minerals. The annual supply chain review is supported by a specialised advisory firm. While part of the verification depends on certification of suppliers, we are working on making the transparency of the supply chain more robust through, among others, targeted audits.

Additionally, we are evaluating further processes for auditing our suppliers and sub-contractors in higher risk jurisdictions. We will continue to refine our internal and external policies with regard to slavery and human trafficking to ensure they address the most probable and relevant threats and as part of developing the social compliance chapter of our broader sustainability agenda.

This UK Slavery and Human Trafficking Statement has been signed by the following authorized individuals, in the capacities and for the entities indicated.

Signed by Emine Alper, Director, for and on behalf of Avery Dennison Materials UK Ltd

A handwritten signature in black ink, appearing to be "E. Alper", written in a cursive style.

Signature:

Date: May 13, 2019

Signed by Christopher Johnson, Director, for and on behalf of Avery Dennison Retail Information Services UK Ltd

A handwritten signature in black ink, appearing to be "C. Johnson", written in a cursive style.

Signature:

Date: May 13, 2019

Signed by Christopher Johnson, Director, for and on behalf of Avery Dennison UK Ltd

A handwritten signature in black ink, appearing to be "C. Johnson", written in a cursive style.

Signature:

Date: May 13, 2019

Signed by Emine Alper, Director, for and on behalf of Avery Dennison UK II Ltd

A handwritten signature in black ink, appearing to be "E. Alper", written in a cursive style.

Signature:

Date: May 13, 2019