W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Avery Dennison helps make brands more inspiring and the world more intelligent as a global leader in pressure-sensitive technology and materials and retail branding and information solutions. Our businesses include the production of pressure-sensitive materials and a variety of tickets, tags, labels and other converted products. Some pressure-sensitive materials are sold to label printers and converters that convert the materials into labels and other products through embossing, printing, stamping and die-cutting. Some materials are sold by us in converted form as tapes and reflective sheeting. We also manufacture and sell a variety of other converted products and items not involving pressure-sensitive components, such as fasteners, tickets, tags, radio-frequency identification ("RFID") inlays and tags, and imprinting equipment and related services, which we market to retailers, apparel manufacturers, and brand owners. Our reportable segments for fiscal year 2017 were (i) Label and Graphic Materials ("LGM"); (ii) Retail Branding and Information Solutions ("RBIS"); and (iii) Industrial and Healthcare Materials ("IHM"). In 2017, the LGM, RBIS, and IHM segments made up approximately 68%, 23% and 9%, respectively, of our total sales. In 2017, international operations constituted a substantial majority of our business, representing approximately 76% of our sales. As of December 30, 2017, we operated approximately 180 manufacturing and distribution facilities worldwide with approximately 30,000 employees and had operations in over 50 countries, with sales from continuing operations of $6.6 billion.

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

- Specialty organic chemicals
- Specialty inorganic chemicals

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1 2017</td>
<td>December 31 2017</td>
</tr>
</tbody>
</table>

W0.3
Select the countries/regions for which you will be supplying data.

Argentina
Australia
Bangladesh
Belgium
Brazil
Bulgaria
Canada
Chile
China
China, Hong Kong Special Administrative Region
Colombia
Czechia
Denmark
Dominican Republic
Egypt
El Salvador
France
Germany
Honduras
India
Indonesia
Ireland
Italy
Japan
Luxembourg
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Norway
Pakistan
Peru
Poland
Portugal
Republic of Korea
Romania
Singapore
South Africa
Spain
Sri Lanka
Switzerland
Taiwan (Province of China)
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

Select the currency used for all financial information disclosed throughout your response.

USD

Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No
W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th></th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Not very important</td>
<td>Important</td>
<td>Avery Dennison does not use significant volumes of good quality freshwater in production activities, therefore water is described as not very important for direct operations. Suppliers that provide paper use a considerable amount of water. As such, water availability may impact paper commodity costs in the future.</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Not important at all</td>
<td>Neutral</td>
<td>Avery Dennison does not use recycled or brackish water and designates these as not important to direct operations. Our paper suppliers may use recycled water, therefore water quality/quantity for indirect use may be neutral.</td>
</tr>
</tbody>
</table>

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?
No, and we have no plans to do so in the next two years

W1.4

(W1.4) Do you engage with your value chain on water-related issues?
No, not currently but we intend to within two years

W1.4d

(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within the next two years</td>
<td>Our core business operations are not heavily dependent on water, whereas our paper suppliers view this as much more of a priority and concern. Over the next 24-36 months, we anticipate evaluating paper suppliers that may be operating in water stress regions to determine if these suppliers have water management strategies.</td>
</tr>
</tbody>
</table>

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W-CH3.1

(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?

W-CH3.1a
Organic solvents

Value chain stage: Direct operations

Description of water pollutant and potential impacts:
A portion of our manufacturing process for self-adhesive materials utilizes organic solvents, which, unless controlled, could be emitted into the atmosphere or contaminate soil or groundwater. Emissions from these operations contain small amounts of volatile organic compounds, which are regulated by federal, state, local and foreign governments. We continue to evaluate the use of alternative materials and technologies to minimize these emissions. In connection with the maintenance and acquisition of certain manufacturing equipment, we invest in solvent capture and control units to assist in regulating these emissions.

Management procedures:
Compliance with effluent quality standards R&D into less harmful alternative products

Please explain:

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a
(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Direct operations**

- **Coverage**: Full

**Risk assessment procedure**

- Water risks are assessed as a standalone issue

**Frequency of assessment**

- Annually

**How far into the future are risks considered?**

- Up to 1 year

**Type of tools and methods used**

- Tools on the market

**Tools and methods used**

- WRI Aqueduct

**Comment**

In 2010, after tracking our water consumption to determine whether we should develop a water-reduction strategy, we concluded that we use relatively little water in our direct operations. We continue to track our water consumption and look for ways to use water more efficiently in our products and processes, but we have not made water conservation one of our environmental priorities. We conduct a standard water risk assessment with the WRI Aqueduct to determine at-risk sites based on basin/geo.

**Supply chain**

- **Coverage**: None

**Risk assessment procedure**

- <Not Applicable>

**Frequency of assessment**

- <Not Applicable>

**How far into the future are risks considered?**

- <Not Applicable>

**Type of tools and methods used**

- <Not Applicable>

**Tools and methods used**

- <Not Applicable>

**Comment**

Other stages of the value chain

- **Coverage**: None

**Risk assessment procedure**

- <Not Applicable>

**Frequency of assessment**

- <Not Applicable>

**How far into the future are risks considered?**

- <Not Applicable>

**Type of tools and methods used**

- <Not Applicable>

**Tools and methods used**

- <Not Applicable>

**Comment**

W3.3b
(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials</td>
<td>Relevant, not included</td>
</tr>
<tr>
<td>Future changes in water availability in relation to our key commodities and raw materials may have impacts on Avery Dennison's direct operations as well as our supply chain. We anticipate taking steps to include assessments of these future implications within our water risk assessments.</td>
<td></td>
</tr>
<tr>
<td>Water-related regulatory frameworks</td>
<td>Not considered</td>
</tr>
<tr>
<td>Status of ecosystems and habitats</td>
<td>Not considered</td>
</tr>
<tr>
<td>Access to fully-functioning, safely managed WASH services for all employees</td>
<td>Not considered</td>
</tr>
<tr>
<td>Other contextual issues, please specify</td>
<td>Not considered</td>
</tr>
</tbody>
</table>

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Not considered</td>
</tr>
<tr>
<td>Employees</td>
<td>Not considered</td>
</tr>
<tr>
<td>Investors</td>
<td>Not considered</td>
</tr>
<tr>
<td>Local communities</td>
<td>Not considered</td>
</tr>
<tr>
<td>NGOs</td>
<td>Not considered</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Regulators</td>
<td>Not considered</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Not considered</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
</tr>
<tr>
<td>Avery Dennison's will be evaluating paper suppliers that may be operating in water stress regions and determining if those suppliers have water management strategies. We may consider our top 10-20 suppliers based on total spend, and we aspire to implement this effort in the next 24-36 months.</td>
<td></td>
</tr>
<tr>
<td>Water utilities at a local level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Other stakeholder, please specify</td>
<td>Not considered</td>
</tr>
</tbody>
</table>

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Avery Dennison's sustainability leadership team is responsible for keeping abreast of market developments related to water usage and water risks. Avery Dennison acknowledges that both the availability and the costs of water, however small, are necessary to our business and growth strategy and can have a direct impact on our operational costs. Therefore, we’ve not only leveraged our internal teams to continue to assess water risks that could impact our business, but have expanded these efforts to include the WRI Aqueduct tool which takes into account current conditions as well as future risks and impacts to our business. The methods that we’ve used to mitigate water risks take into account all of our facilities.

(W4.1)
(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Avery Dennison defines substantive change as impacts on revenue, stakeholders and costs as well as availability of purchased goods. Indicators we recognize as having potential substantive changes include 5% revenue, concerns expressed by key stakeholders, and cost increases as much as 5% (or significant risk of material availability). Any one of these elements or a combination thereof would be basis for evaluating mitigating measures. These elements impact supply chain.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

<table>
<thead>
<tr>
<th>Total number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Please select</td>
<td></td>
</tr>
</tbody>
</table>

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Please select</th>
</tr>
</thead>
<tbody>
<tr>
<td>River basin</td>
<td>Please select</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
<th>Please select</th>
</tr>
</thead>
</table>

| Production value for the metals & mining activities associated with these facilities | <Not Applicable> | |
| % company’s annual electricity generation that could be affected by these facilities | <Not Applicable> | |
| % company’s global oil & gas production volume that could be affected by these facilities | <Not Applicable> | |
| % company’s total global revenue that could be affected | Please select | |

<table>
<thead>
<tr>
<th>Comment</th>
</tr>
</thead>
</table>

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Evaluation in progress</td>
</tr>
</tbody>
</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No
**W4.3b**

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist, but none with potential to have a substantive financial or strategic impact on business</td>
<td>Avery Dennison recognizes the opportunity to reduce water use and realize modest cost savings, however, as our operations are not water intensive, these savings are unlikely to be substantive. By substantive we mean reducing costs by more than 5%. Our assessment also considered whether water presented an opportunity for our customers in use of our products and determined there was not a substantive opportunity. Our products do, however, present a variety of important opportunities for our customers in other sustainability areas such as waste or energy reduction.</td>
</tr>
</tbody>
</table>

**W6. Governance**

**W6.1**

(W6.1) Does your organization have a water policy?

No

**W6.2**

(W6.2) Is there board level oversight of water-related issues within your organization?

No

**W6.2c**

(W6.2c) Why is there no board-level oversight of water-related issues and what are your plans to change this in the future?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not deemed relevant</td>
<td>Given the immaterial nature of water-related issues to Avery Dennison, we currently don’t have an expectation to include board-level oversight for water-related issues.</td>
</tr>
</tbody>
</table>

**W6.3**

(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

**Name of the position(s) and/or committee(s)**

President

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

The Vice President of Environmental, Health & Safety (EH&S) is responsible for water-related issues and communicates them to our executive team.

**W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4**

(W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

No, and we do not plan to introduce them in the next two years

**W6.5**

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No
W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term business objectives</td>
<td>No, water-related issues were not reviewed and there are no plans to do so</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Strategy for achieving long-term objectives</td>
<td>No, water-related issues were not reviewed and there are no plans to do so</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Financial planning</td>
<td>No, water-related issues were not reviewed and there are no plans to do so</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

<table>
<thead>
<tr>
<th>Water-related CAPEX (+/- % change)</th>
<th>Anticipated forward trend for CAPEX (+/- % change)</th>
<th>Water-related OPEX (+/- % change)</th>
<th>Anticipated forward trend for OPEX (+/- % change)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Our approach is based on The 3% Solution developed by World Wildlife Fund, CDP and McKinsey &amp; Company. Because our facilities require different solutions based on their design and location, we're pursuing reductions through a variety of means, such as improving energy efficiency, sourcing renewable power and procuring renewable energy certificates.</td>
</tr>
</tbody>
</table>

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Our company sets no targets or goals</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W8.1c
(W8.1c) Why do you not have water target(s) or goal(s) and what are your plans to develop these in the future?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judged to be unimportant, explanation provided</td>
<td>Based on completed water-risk assessments and the level of significance water plays in our operations, targets or goals have not been deemed to be important. We will continue to annually evaluate water risk with WRI Aqueduct, and conduct water assessments internally and with suppliers in the coming 24-36 months.</td>
</tr>
</tbody>
</table>

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

No

W9.1b

(W9.1b) Why has your organization not identified any linkages or tradeoffs between water and other environmental issues?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not considered, and we have no plans to do so</td>
<td></td>
</tr>
</tbody>
</table>

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

No, we do not currently verify any other water information reported in our CDP disclosure

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Sustainability</td>
<td>Environment/Sustainability manager</td>
</tr>
</tbody>
</table>

W11.2

(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module
SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>6613800000</td>
</tr>
</tbody>
</table>

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?
Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

<table>
<thead>
<tr>
<th>ISIN country code</th>
<th>ISIN numeric identifier (including single check digit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 US</td>
<td>0536111091</td>
</tr>
</tbody>
</table>

SW1.1

(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?
No, we do not have this data and have no intentions to collect it

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities not already reported in W5.1?
No, this is confidential data

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?
No

SW3.1

(SW3.1) Provide any available water intensity values for your organization’s products or services across its operations.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Public</td>
<td>Investors, Customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms