



Avery Dennison Responsible Paper Procurement Policy

Avery Dennison is committed to operating our business in a responsible manner and making it easier for our customers, supply chain partners, and employees to make a difference for the environment and the communities in which they live and work. As a significant stakeholder in the supply-chain of pulp and paper products, we recognize our important role and opportunity in promoting and providing sustainable and socially responsible paper products, specifically influencing our partners to not contribute to deforestation, for our sourcing decisions promote and support biodiversity.

This responsible paper procurement policy reflects our values and commitment to the sustainability and social aspects of the paper products we source, manufacture, and use.

We are uniquely positioned in the value chain to collaborate with business partners in reducing our environmental impacts. We are committed to understanding and managing, to the degree to which we are able, the key environmental performance characteristics of our paper products from sourcing and manufacturing, to the end-use and recovery of our products. We employ a science-based life cycle perspective of paper products to provide the foundation for this policy and its commitments.

Our Commitments:

Avery Dennison's sustainability commitments, and progress to targets can be found at [web link](#). We have made significant commitments in reducing our environmental impact. How this relates to paper is as follows:

We will source 100% certified claim paper, of which 70% will come from Forest Stewardship Council Certified sources (FSC)

Guiding Principles:

1. Evaluate and reward good environmental performance of our supply-chain partners

Avery Dennison is committed to influencing our supply chain where we have direct decision-making capability and working with our supply chain to ensure responsible practices where we do not have direct decision-making capability.

We give preference to suppliers that demonstrate a commitment to environmental innovation and continuous improvement, who have their environmental management systems certified, and use pulping and papermaking technologies that minimize effluent and emissions. As part of our

supplier evaluation process, we will verify this information by a recognised industry third party expert.

We will evaluate our supply base of paper products annually on their environmental performance, using a standardized format that allows us to make fair performance comparisons among suppliers. Where needed, corrective actions will be established.

2. Avoid controversial fiber sources and increase certified/recycled sources

Avery Dennison recognizes the most pressing social and environmental issues related to wood and paper sourcing – such as illegal logging and forest degradation - and commits to use only paper and packaging materials made of wood fiber harvested under conditions that promote social and environmental responsibility and stewardship.

We will achieve this by committing to procure paper products made from non-controversial sources of virgin wood fiber which is validated by a third party. Furthermore, we will expand and promote the use of recycled paper materials. This is a long-term aspiration and we will prioritize our efforts to have the greatest impact in the shortest period of time.

Each year, with the support of a recognised industry third party expert, we will validate the sources of timber used within our supply chain. This validation process will include the country of origin of wood fiber, and then further map to potential countries of risk.

In addition, this annual validation process will ensure the certification claims made by our suppliers.

3. Act in a manner that helps to be socially responsible

Avery Dennison will operate according to a model defined and evolved by Avery Dennison and industrial experts, that enhances society and the environment. In doing so, will improve the awareness of the impact our business model has on all aspects of society including economic, social and environmental.

We will invest with NGOs who support the continued observance of global environmental policies, in particular high risk areas and the resolution in issues of non-conformance. Specific projects will be published in our annual reports.

Paper Procurement Policy:

Avery Dennison is implementing a step-wise process to increase our sourcing of certified paper products throughout our business, including our paper labels, retail identification products, industrial labels, packaging materials and office paper.

1. Avoid wood fiber from high-risk areas that engage in controversial sourcing practices by working toward ensuring*:

- a) Wood fiber source origin is known and traceable,

- b) Wood fiber is harvested in compliance with applicable laws and regulations,
- c) Wood fiber is not harvested in violation of internationally accepted guidelines and treaties to protect human rights of indigenous peoples,
- d) Wood fiber is not originating from locations identified as containing high conservation value forests, and
- e) Wood fiber source not originating from areas with natural forest conversion rate above 0.5%/year for the purposes of timber production plantations or other non-forest uses.

**as defined by the Forest Stewardship Council (FSC) Risk Standards*

2. Increase the use of wood fiber that has been certified by a credible third-party forest certification scheme (for virgin and recycled) with preference for Forest Stewardship Council (FSC) certified material where market conditions and good business practices allow.

Acceptable certifications:

- Forest Stewardship Council -Mixed Credit (FSC-MC certified)
- Forest Stewardship Council -Controlled Wood (FSC -CW)
- Programme for the Endorsement of Forest Certification (PEFC)
- Sustainable Forestry Initiative (SFI -North America only)

We will survey our paper product suppliers to confirm the correct source of fiber.

3. In addition, we will strive to maximize recycled content where possible, while maintaining product integrity and performance specifications.

4. Any materials sourced using alternative fibers than wood fiber will also follow the guiding principles set forth within this policy.

Avery Dennison will work with our supply chain partners as we implement this policy to:

- Develop verifiable processes and systems to support this work, which will include asking suppliers to report sourcing and environmental performance information and provide documentation to demonstrate conformance on an annual basis;
- Understand the full chain of custody to ensure that wood fiber-based paper materials are only sourced from responsibly managed forests and/or recycled sources;
- Engage external forest products experts;
- Focus on areas of highest perceived shared value;
- Exclude wood/fiber from sources that do not comply with this policy; and
- Publish progress toward meeting our commitments.
- Annual auditing with 3rd party industry leading independent experts

We will review our policy and commitments on a regular basis to ensure they reflect the state of the industry and are based on the best available scientific evidence to help minimize the

environmental and social impacts of our paper sourcing decisions across the entire paper lifecycle.

Definitions:

1. Wood fiber – refers to fiber obtained from wood and/or wood based materials, used especially in the manufacture of paper based products; including, but not limited to, products and product packaging composed of any grade of paper, including coated and uncoated paperboard, kraft paper and corrugated cardboard.
2. Recycled material – material that demonstrably would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and reclaimed as input material, in lieu of virgin material, for re-use, recycling or re-milling in a manufacturing process.
3. Responsibly managed forests – forests managed in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, relevant ecological, economic and social functions, and that does not cause damage to other ecosystems
4. Paper and packaging materials – in addition to paper materials for Avery Dennison products, this policy applies to all fiber based materials including but not limited to packaging, copy paper and marketing materials.
5. High Conservation Value Forests - Forests that have one or more of the following attributes
 - a. forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;
 - b. forest areas that are in or contain rare, threatened or endangered ecosystems;
 - c. forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control);
 - d. forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance) identified in cooperation with such local communities.
6. Indigenous peoples - "The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social, economic and

cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant." (Working definition adopted by the UN Working Group on Indigenous Peoples)

7. Civil rights - Right or rights belonging to a person by reason of citizenship. The rights that every person in a society has, for example to be treated equally, to be able to vote, work, etc.
8. Traditional rights - Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. These are also known as customary rights. (FSC Principles and Criteria, February 2000)
9. Deforestation - The illegal harvesting or training of wood, and supporting of maintaining HCVF (High Conservation Value Forests.) Whilst minimizing the conversion of forests to other land uses.
10. Biodiversity - Refers to the range of life forms and species that exist within a given ecosystem.