

Avery Dennison Climate Policy

August 2020

1. Purpose

Sustainability is one of our values as well as one of our core strategies; as a responsible corporate citizen, we are committed to the long-term health of our business, communities and planet. Climate scientists have reached broad consensus regarding the contribution of human factors to climate change and the imminent threat that climate change poses to the health of our communities and planet.

Adequately responding to the risks posed by climate change requires involvement from governments, non-governmental organizations, and businesses. We have a responsibility to take action to address climate change and its impacts. We remain committed to reducing the greenhouse gas (GHG) footprint throughout our value chain, in alignment with the Paris Agreement and consistent with the recommendations and guidance of climate experts.

This Climate Policy describes our strategy, oversight and response to climate-related issues within our organization and throughout our value chain.

2. Governance

This policy was approved by senior management, including our CEO, and made available to our employees and all stakeholders via our company website.

The Avery Dennison Sustainability Council, which consists of a subset of our Company Leadership Team and leaders from our business units, is responsible for advancing our sustainability strategy and objectives, including our GHG emissions reduction target and climate-related strategy. At least annually, the Sustainability Council reviews strategy, policy and performance with our Company Leadership Team.

3. Risk Management

We recognize that our businesses may be exposed to impacts from both physical and transition risks associated with climate change. Accordingly, we consider climate-related risks as part of our Enterprise Risk Management (ERM) process (formally conducted twice each year), the results of which are reported to our Board of Directors. We consider how climate change may impact market and technology shifts, the potential impacts of weather events, changing stakeholder expectations around climate change, and the evolving policy landscape. We strive to meet or

exceed minimum compliance with applicable national, state, provincial and/or local environmental laws and regulations, including those that regulate GHG emissions.

The results of the ERM process inform the risk factors we describe in our quarterly and annual reports to the Securities and Exchange Commission and help us continually refine our long-term business strategies. When we identify business risks, we develop and implement mitigation strategies to address them.

4. Strategy

Through a comprehensive materiality assessment conducted with the help of a third party, we determined the sustainability topics most significant to Avery Dennison and our stakeholders. These topics, which are impacted by or relate to climate change, include advancing the circular economy, minimizing waste, reducing GHG emissions and energy consumption, improving security and addressing environmental impacts in our supply chain, and enhancing transparency,

To manage the risks and opportunities associated with our most significant sustainability topics, we prioritize continuous improvement of our environmental performance in alignment with [Our 2025 Sustainability Goals](#). These objectives, including reducing waste, improving efficiency and advancing the circular economy through our products and services, serve to reduce the carbon footprint of our products, operations, and value chain and improve the environmental health of our communities and planet.

We regularly engage stakeholders throughout our value chain to evaluate environmental and social performance and identify opportunities to work together in support of continuous improvement. EcoVadis is a tool we use in our Label and Graphic Materials (LGM) business to engage with suppliers, with over 75% of LGM's direct spend assessed annually to enable continued collective progress. We require suppliers to annually report their GHG emissions through CDP Supply Chain.

5. Commitments

Leveraging the expertise of our internal teams, external consultants, and climate science experts, we commit to the following:

- Reducing the carbon footprint of our operations. In collaboration with the World Wildlife Fund's Climate Savers program, we developed a Scope 1 and Scope 2 target consistent with the well-below 2°C scenario. By 2025, we aim to reduce our absolute Scope 1 and Scope 2 emissions by 3% year-over-year, with at least a 26% overall reduction compared to our 2015 baseline.
- Publicly reporting our GHG emissions and our progress towards our reduction goals, at least annually. We will obtain third-party verification for our Scope 1, Scope 2 and Scope 3 GHG emissions.