

Avery Dennison Water Policy

November 20, 2020

1. Purpose

Sustainability is one of our core values and strategies; as a responsible corporate citizen, Avery Dennison is committed to the long-term health of our business, planet and communities. Climate scientists have reached a broad consensus regarding the contribution of human factors to climate change and that climate change poses an imminent threat to the health of our planet and communities, including through drought, variable weather cycles, and lack of access to fresh/clean water sources.

In alignment with the United Nations, Avery Dennison classifies access to water and sanitation as human rights, reflecting the fundamental nature of these basic needs in every person's life. Avery Dennison acknowledges the strategic importance of water as a vital resource, and understands that ensuring the availability and quality of water is necessary to our businesses and supply chains, as well as the health of our communities.

This Water Policy details our strategy, oversight and response to water-related issues within our organization and our value chain.

2. Governance

This Water Policy was approved by senior management and disseminated to our employees and other stakeholders via our website.

Board oversight of environmental topics is primarily conducted by the Governance and Social Responsibility Committee, which receives a report from management at least once per year on performance towards our sustainability goals. 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 water-related objectives. At least annually, the Sustainability Council reviews strategy, policy and performance with our Company Leadership Team.

3. Risk Management

Despite analyzing our own water consumption and determining we use a relatively insignificant amount in our direct operations, we still have a commitment and responsibility to reduce our environmental impact wherever possible.

We understand that our businesses and the communities in which we operate may be exposed to impacts associated with water scarcity and quality. Accordingly, we conduct an annual water assessment using the World Resources Institute (WRI) Aqueduct Tool to determine site-specific priorities and opportunities. Water data from our global facilities is collected and analyzed based on Aqueduct Risk Level. Sites in geographical areas determined by the assessment to have an Extremely High or High Water Risk level are prioritized for potential projects. A detailed methodology for risk level breakdowns is available from WRI.

For water-related risks, we develop strategies and mitigating actions to implement as appropriate.

4. Strategy

We have a commitment and responsibility to reduce our environmental impact through a comprehensive materiality assessment. With the help of a third party, we analyzed the significance to our Company and our stakeholders of a wide range of sustainability topics, of which water was included.

We acknowledge that our business may be exposed to risks and opportunities associated with water and stakeholder expectations related to water usage, efficiency, and conservation, as well as the evolving policy landscape. We comply with national, state, provincial and/or local environmental laws and regulations.

5. Commitments

Leveraging the expertise of our internal teams, external consultants, and the WRI tool, we commit to the following by 2025:

- We will ensure water discharge from our facilities is free of our [Restricted Substance List \(RSL\)](#) chemicals and that process water is treated on site or by an appropriate off-site treatment facility.
- We will implement water management strategies across prioritized facilities that are categorized as Extremely High or High Water Risk level according to WRI's Aqueduct analysis. Site management strategies may include, but are not limited to, water recycling, process innovation, freshwater reduction projects, efficient technology investments, and alternative water resources.
- We will consider water impacts when making business decisions (e.g., partnerships with suppliers, new site selection, and new equipment/technology). We will utilize our resources and commitment to transparency to protect the water-related health and needs of communities where we operate.

- We are committed to ongoing stakeholder awareness and education. We acknowledge the importance of continuous learning and improvement through innovation, partnerships and sharing of best practices.