

Modern Slavery Statement

Avery Dennison

This Statement is submitted on behalf of Avery Dennison Materials Pty Ltd (ABN 92 007 706 934) (**ADM**) under section 13 of the *Modern Slavery Act 2018* (Cth) (**MSA**) to cover the reporting period of 1 January 2023 to 31 December 2023.

1. Criteria 1 and 2 (MSA, s16(1)(a)-(b)): Identification, Structure, Operations and Supply Chain

1.1. Identification and Structure

The ultimate parent company is Avery Dennison Corporation (USA). Avery Dennison Corporation owns, among other legal entities, the following two legal entities:

1. Avery Properties Pty Limited (based in Australia);
2. Avery Dennison Singapore Pte Ltd (based in Singapore).

Avery Dennison Singapore Pte Ltd owns Avery Dennison Australia Pty Ltd, which has the following subsidiaries all based in Australia:

1. Avery Dennison RBIS Pty Ltd;
2. Avery Dennison Australia International Holdings Pty Ltd;
3. Avery Dennison Materials Pty Ltd (**ADM**).

Of the five legal entities based in Australia, only ADM meets the reporting threshold, and it does not own or control any other reporting entities.

1.2. Operations

Avery Dennison Corporation is headquartered in Mentor, Ohio and employs more than 34,000 employees in more than 50 countries. Avery Dennison is a global materials science company specialising in the design and manufacture of a wide variety of labelling and functional materials. Our products are used in nearly every major industry and 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. ADM does not hold any investments.

ADM, the reporting entity, imports paper coated and laminated products, processes and re-packages those products and then sells them to Australian and New Zealand customers. The products in their original form are manufactured overseas by other Avery Dennison entities and are then purchased by ADM. ADM is based in Melbourne, Victoria and employs 85 workers all of which are permanent employees. ADM also engages two temporary workers which are employed by a recruitment agency. None of ADM's employees work in an arrangement where their visa ties them to the business. ADM also has offices in Sydney, Brisbane and Adelaide.

1.3. Supply Chains

In the past reporting period ADM engaged with approximately 247 tier 1 suppliers, or suppliers that we directly contract with. Those suppliers are based in a variety of geographic locations including: Australia, New Zealand, the United States of America, South Korea, China, India, Singapore, Hong Kong, Malaysia, Luxembourg, Germany, France, Belgium, and the Netherlands. ADM also contracts with other Avery Dennison entities (as opposed to third party suppliers) including Avery Dennison entities based in New Zealand, the United States of America, China, Hong Kong, Malaysia, Singapore, Thailand, South Korea, India, Israel, the Netherlands and Belgium.

Our suppliers provide us with a range of goods and services including: labels; adhesives and plastics; equipment installation; compressors; sheeting; cutting tools; signage products and services; printing and packaging products and services; gas; information and technology hardware and software; equipment and machinery; stationary and furniture; cleaning, maintenance and security services; recycling and waste disposal services; administrative services; courier and postage services; transport, freight and logistics services; groceries and catering; lab testing; first aid equipment; training services; payroll services; taxation, environmental, financial and legal consultancy; insurance; marketing and design consultancy; telecommunications; and recruitment agencies.

We acknowledge that our supply chain extends past our direct tier 1 suppliers and will endeavour to gain further knowledge as to the depths of our supply chain in future reporting periods.

2. Criteria 3 (MSA, s16(1)(c)): Risks of Modern Slavery

We understand the prevalence and nature of modern slavery mean that every entity has risks of modern slavery within its operations and supply chains. We understand such risks may therefore be present in the operations of ADM. Below, we have considered the ways in which we could potentially cause, contribute to, or be directly linked to modern slavery practices so that we can take effective action to assess and address those potential risks.

2.1. Operational Risks

ADM is engaged in the design, processing and manufacturing industries. We understand from the research into modern slavery that manufacturing is considered a high-risk industry for many reasons. Manufacturing can be a particularly cost-driven industry. As a result of that, globally throughout the industry we understand that manufacturing can be heavily dependent on outsourcing and sub-contracting as a cost-saving measure. These practices can reduce visibility and accountability over business practices and can also place cost pressures on suppliers and subcontractors. Costs pressures can lead to wage cuts, increased working hours etc. Workers therefore become increasingly vulnerable to exploitation such as modern slavery practices. As an entity involved in the manufacturing industry, our operations may present a potential risk of modern slavery.

We are also aware that the materials we work with include goods such as adhesives, plastics, sheeting, labels, packaging that are made from raw materials and that these sorts of materials may pose a relatively higher risk of modern slavery. We also utilise recruitment agencies which we understand can reduce the visibility over hiring protocols and practices which can increase the vulnerability of those

workers and note we currently have two staff members that are employed by a recruitment agency.

2.2. Supply Chain Risks

We understand that there is a risk that we can contribute to or be directly linked to modern slavery practices through our supply chains.

In relation to our supply chain, tier 1 consists of approximately 247 suppliers which we believe is a relatively small cohort proportionate to our size, enabling increased visibility over our supply chain and reducing the risks of modern slavery within same. Our supply chain has decreased in volume of suppliers since previous reporting periods by about 13%, providing us with increased oversight. The majority (85.7%) of our suppliers are Australian-based suppliers (77.7%) or other Avery Dennison entities (8%) which we believe lowers the risk of modern slavery within our supply chains. However, we do acknowledge that 5.26% of our suppliers are based in South Korea, China, Malaysia and India which are geographic locations with a higher prevalence of modern slavery according to the new Global Slavery Index data released in 2023.¹

We also acknowledge that the Avery Dennison entities we have intercompany contracts with are in some higher risk countries such as China, India, Israel, Thailand and Malaysia. However, we have strong intercompany contracts with these entities and are confident that their operations are held to a high standard and that staff safety and wellbeing is being taken very seriously in these places. Despite those protections we are aware that if these entities contract locally themselves then we may have some greater risks beyond tier 1 of our supply chain.

Our suppliers also provide some goods and services that are considered higher risk according to the data such as: goods made from raw materials including adhesives, plastics, sheeting, labels, packaging; goods procured from the manufacturing industry such as equipment, tools and machinery; IT hardware; stationery and furniture; cleaning, maintenance and security services; groceries and catering; first aid equipment; and recruitment agencies.

We acknowledge that we are yet to consider the risks posed by suppliers beyond our tier 1 supply chain and we will seek to make further progress in gaining a deeper understanding of such risks in future reporting periods.

2.3. Changing Risks Globally

We acknowledge that there are ongoing impacts from the Pandemic, which caused unprecedented and unanticipated pressures on world economies and business. Those pressures led to business closures, budgetary tightening, increasing unemployment, decreased job stability, shifts in consumer sentiment and demand, order cancellations, wage-cuts, decreased air-freight capacity, increased freight and transport costs and port congestion. Many governments relaxed and suspended different industrial and social protections to allow businesses the flexibility to cope with the enormous economic shifts. We are mindful that these mechanisms all acted to place many more workers in the kinds of vulnerable conditions where they may have been pushed closer to, or into modern slavery and that the effects of this are ongoing.

¹ Geographic Locations with a prevalence of more than 3.5 per 1,000 people.

We are also aware that the conflicts in the Ukraine and the Gaza Strip have significantly increased the vulnerability of a significant number of people in the world to various forms of exploitation including modern slavery. Reports and data have displayed that there are human traffickers in action both within and outside the borders of Ukraine and Gaza. We are mindful of these changes in our risk analysis.

3. Criteria 4 and 5 (MSA, s16(1)(d)-(e)): Action to Address and Assess Risks, Effectiveness

Having identified the potential risks of modern slavery in our operations and supply chains for the last reporting period, we continue to take action in response to those risks. Responding to potential modern slavery risks is a complex and challenging task and we are aiming to continually improve in our approach. Avery Dennison entities in the United Kingdom and in California have for several years been reporting under their equivalent legislation.

Our UK and Californian Statements, which detail actions applicable to all Avery Dennison entities globally, commit to ensuring that there is no modern slavery or human trafficking in our supply chains or operations and confirm our zero tolerance for such practices.

Our values include: Integrity, Courage, External Focus, Diversity, Sustainability, Innovation, Teamwork and Excellence. We believe these values create our culture, being a culture that we see as conducive to addressing and assessing modern slavery risks.

We have multiple policies and processes in place that help us uphold best practices of business, conduct due diligence and provide remedial measures. *Code of Conduct*

Our Code of Conduct (the **Code**) applies to all Avery Dennison entities, their directors and officers, and enlarges and enshrines our view that being an ethical and values-based company helps us win. Our Code of Conduct directs employees as to where they can report issues and concerns and establishes an Ethics Counsel in each region, as well as provides the contact details for our Business Conduct Guideline which allows our employees to speak anonymously. The Code requires all employees to comply with both the letter and spirit of all laws, regulations and policies that are applicable.

We acknowledge that matters like discrimination, harassment, workplace violence, poor health and safety practices and poor privacy practices may not meet the threshold of modern slavery but these kinds of practices increase the vulnerability of workers and may indicate the presence of modern slavery or may escalate into same over time. As such, our Code prohibits unlawful discrimination or harassment because of race, colour, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation, gender identity or expression, veteran status or any other status protected by law. We also prohibit bullying or any behaviour that creates an intimidating, offensive, abusive or hostile work environment and we uphold the privacy of our employees.

At Avery Dennison we want to be recognised as an exemplary corporate citizen: active in our communities; committed to diversity, development, health and safety, labour standards; contributing to society in both developed markets as well as the developing regions of the world where we operate – this is enshrined in our Code.

Our Chief Compliance Officer and our Regional Ethics Counsels administer our Code, investigate and respond to violations and determine remedial and disciplinary action

which can include termination of employment. We have committed to conducting annual training on the Code for our employees which was completed in 2023.

Human Rights Policy

Avery Dennison has a Human Rights Policy that is applicable to all Avery Dennison entities and their directors and officers. This policy details our commitment to treating all of our employees and helping ensure employees within our supply chain are treated with dignity and respect, and to serve as a force for good the communities in which we operate. It references the International Labour Organisation 1998 Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact. The latter was founded in 2020 and is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation. Avery Dennison has been a member since 2020. The policy supports our businesses in identifying actual and potential human rights risks, then developing and implementing actions to create greater responsibility. We expect our supply chain stakeholders to embrace the guidance in our policy. Part of our policy guidance is to undertake routine risk analysis by country to identify human rights risks, which is done via supplier and subcontractor audits as detailed further below. In line with UN frameworks, our Human Rights Policy provides avenues for effective remedies in scenarios where we might inadvertently cause or contribute to adverse human rights impacts.

United Nations Sustainable Development Goals

We have a public document detailing how Avery Dennison has mapped its most material sustainability topics to align with the United Nations Sustainable Development Goals (**SDGs**). This includes work we are doing in relation to: employee engagement; fair and inclusive workplaces; advanced technologies and innovation; energy use, conservation and reductions; human and labour rights; supply chains; materials management; transition to a circular economy; operational waste; GHG emissions and reductions; climate change and water use.

Reporting

We understand that the nature of modern slavery means it is often hidden in plain sight because of the inability of victims and those around them to speak up and report on their circumstances. At Avery Dennison we have a non-retaliation policy that allows our employees to feel comfortable speaking up about concerns knowing we prohibit retaliation against anyone who, in good faith, reports a potential violation of the law or our Code. There are many avenues available for reporting including to line managers, Human Resources, Internal Audit, our internal Law Department or anonymously to our Business Conduct Guideline using toll-free hotline which is operated by an independent third party. The Guideline accepts reports in any language and so is accessible to anyone with language vulnerabilities. We also have a secure online system that allows for the filing of reports. These avenues enable employees to confidentially report issues and concerns. Reports are investigated under the direction of our Chief Compliance Officer in collaboration with our Regional Ethics Counsel. In 2023, we did not receive any reports regarding Modern Slavery in Australia.

These reporting avenues allow us to understand whether the actions we are taking in this space are making a meaningful difference in relation to awareness, risks, due diligence and remediation.

Training

We have conducted online Values and Ethics training for all staff each quarter in this recent reporting period. This training covers elements of human rights and our supplier due diligence processes as well as speaking up, diversity, anti-bribery, anti-corruption, health and safety, respect in the workplace, social media, conflict of interest and other related topics that help us maintain a culture of ethical governance. The overall completion rate in 2023 was 96.85% for this training. In 2023, we provided training regarding our updated Social Compliance Supplementary Standards to all stakeholders (discussed further below). We regularly train our employees on our policies and procedures otherwise. Our Law Department conducts instructor-led training sessions for staff periodically, which occurred during 2023 for Australian Staff. We also develop and launch three Values and Ethics “Talkabout” toolkits each year, to enable managers to engage in meaningful discussion with their teams regarding topics from our Code. In 2023, the topics were Third Party Due Diligence; Workplace Harassment and Discrimination and Speaking up (Non-retaliation).

We also provide suppliers with training in regions and countries that are considered high risk based on their scores on the Transparency International’s Corruption Perception Index and the International Labour Organisation’s assessments of child and forced labour.

Through this training we can keep a finger on the pulse of the level of awareness in our organisation and whether the actions we are taking in this space are effective.

Supplier Standards

Our Employment Standards are mandatory and apply to all of our business units around the world. These standards are mirrored within our Global Supplier Standards. Our Global Supplier Standards detail the best practices and ethical behaviour we expect from our suppliers including our requirement that suppliers do not use child labour or forced labour; provide their employees with a safe and healthy workplace; comply with all local environmental, health and safety, and corruption and bribery laws. They also speak to compensation, work hours, discrimination, human rights, freedom of association and disciplinary processes. We also hold suppliers responsible for ensuring that any sub-contractors that produce goods or services for us meet these standards.

Our Global Supplier Standards are supplemented by our more lengthy Social Compliance Supplementary Standards which were updated as recently as June 2023. These additional standards describe in detail supplier obligations with regard to, among other areas, forced labour, child labour, compensation, hours of labour, discrimination/human rights, freedom of association, disciplinary processes, health and safety and environmental standards. This document utilises recent case study examples set in different countries to help suppliers understand how they should meet our standards around the world.

We have clear expectations of the way we deal with suppliers and partners and the ethical standards that we hold suppliers to.

Supplier and Subcontractor Selection

We have a Global Outsource Supplier Approval Procedure that we utilise prior to engaging subcontractors to ensure their compliance with our Global Supplier Standards and Social Compliance Supplementary Standards detailed above. This ensures consistency in approval procedures around the world. Suppliers cannot become an approved supplier until they pass through this procedure and meet the relevant criteria which in some cases includes passing a social compliance audit.

We also conduct an oversight program for subcontractors in particular industries that we work with regularly to ensure they continue to 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 how to comply with our standards. We have third-party auditors that actually visit subcontractor facilities on our behalf and inspect living conditions in employee dormitories, wages and working hours, employee insurance coverage, fire safety etc. From a remedial perspective, we have a suspension process for subcontractors found to be non-compliant with critical criteria such as child labour and fire safety. Where subcontractors are found to be non-compliant in less critical areas, we work collaboratively to help them raise standards. Moving through such change with our subcontractors is a key area where we can track effectiveness.

For subcontractors in other industries, we have a separate oversight program based on a platform developed by EcoVadis. This approach is different, and rates suppliers based on their answers to an online questionnaire which covers a range of modern slavery issues. Our remedial approach is again to intervene with suppliers that reveal themselves to be high risk and assist in improvement, with relationship termination occurring where there no improvements made in specified timeframes.

Audits

We conduct third party audits of our company-owned manufacturing facilities and tier 1 subcontractor facilities on an ongoing basis which include a focus on fundamental human rights. We also conduct these periodic audits on the basis of their risk profile taking into account factors like past audit performance and the prevailing labour conditions in the country where the facility is located. This due diligence enables us to assess the effectiveness of the actions we are taking in this space. Our audit findings are captured and we undertake remedial action where appropriate, making any changes necessary to fully comply with our policies. We tend to undertake upwards of 100 audits each year.

Due Diligence on Conflict Minerals

In the United States of America, Avery Dennison is required to have in place a due diligence process regarding conflict minerals. We have a Conflict Mineral Policy and complete an annual supply chain review with the support of a specialised advisory firm. We conduct reasonable country of origin inquiries and have engaged an independent global professional services firm to advise us on due diligence and reporting. We are taking a number of steps in this space and our statement is publicly available in this regard.

Recruitment Practices

Our relationships with recruitment agencies are longstanding and as such provide us with a large degree of visibility over things like pay rates to ensure we are satisfied that the practices being engaged in are ethical and not increasing the vulnerability of our workers or potential workers.

Our employees are all issued with a Fair Work statement upon appointment that outlines their employment rights. We also advise new employees of our Business Conduct Guideline, detailed above.

Environmental Sustainability Governance Reporting

3.1. Avery Dennison Corporation provides an annual report on progress around ESG goals which is publicly available. There are numerous key goals, with 2025 and 2030 timeline targets. Of direct relevance here are the areas of Supply Chains and Fair and Inclusive Workplaces. The Supply Chain area refers to how Avery Dennison Corporation chooses suppliers, measures supplier performance/alignment with values, audits suppliers, supports suppliers in improving ESG and maintaining transparency to ensure sourcing commitments are met. The Fair and Inclusive Workplaces area refers to efforts to support the active integration and fair treatment of all employees with a focus on gender, age, cultural background, skills, race/ethnicity, religion and sexual orientation – noting staff with particular attributes may be more vulnerable in the workplace. **Changing Risks Globally**

We continue to respond to any ongoing challenges from the COVID-19 Pandemic by applying the belief that has long guided how we do business: if we take care of our stakeholders: our employees, our customers, our communities and our shareholders – business success will follow. We have provided specifics of how we looked after our workers during the Pandemic itself as well as our supply chain strategies in our previous statements. We are also aware that conflicts in the Ukraine and Gaza significantly increase the vulnerability of workers in those regions or fleeing from same, and can have flow on impacts in supply chains also.

4. Criteria 6 (MSA, s16(1)(f)): Consultation

As above, ADM does not own or control any other entities.

5. From Our Principal Governing Body

ADM makes this statement in accordance with section 13 of the *Modern Slavery Act* 2018 (Cth). ADM's Board of Directors is the principal governing body under the Act.

This Modern Slavery Statement was considered and approved of by the Board of ADM.



Darren Bruce Milligan

Director

Responsible Member of Avery Dennison Materials Pty Ltd's Principal Governing Body