

Modern Slavery Statement

Avery Dennison

This Statement is submitted on behalf of Avery Dennison Materials Pty Ltd (ABN 92 007 706 934) (**AD Materials**) under section 13 of the *Modern Slavery Act 2018* (Cth) (**MSA**) to cover the reporting period of 1 January 2022 to 31 December 2022.

1. Criteria 1 and 2: 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 Pty Ltd (**AD Materials**).

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

1.2. Operations

Avery Dennison Corporation is headquartered in Glendale, California and employs more than 36,000 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.

AD Materials, 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 AD Materials. AD Materials is based in Melbourne, Victoria and employs 91 workers of which 1 is casual, 2 are on fixed term contracts and the remainder are permanent employees. AD Materials also has offices in Sydney, Brisbane and Adelaide.

1.3. Supply Chains

In the past reporting period AD Materials engaged with approximately 280 tier 1 suppliers, or suppliers that we directly contract with. Those suppliers are based in a variety of geographic locations including: Australia, the United States of America, South Korea, China, India, Switzerland, Singapore, Malaysia, Luxembourg, Germany, France, Belgium, and the Netherlands. AD Materials 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, Mexico, China, Hong Kong, Malaysia, Singapore, Thailand, South Korea, India, Japan, Israel, South Africa 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; stationery and furniture; cleaning and security services; courier and postage services; transport, freight and logistics services; groceries and catering; lab testing; first aid equipment; taxation, financial and legal consultancy; 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: 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 AD Materials. 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

AD Materials 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 subcontracting 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. Cost 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 workers.

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 280 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 the same. Our supply chain has increased in volume since previous reporting periods but only by a relatively small amount. The vast majority (90.3%) of our suppliers are Australian-based suppliers or other Avery Dennison entities which we believe lowers the risk of modern slavery within our supply chains. However, we do acknowledge that we have a very small cohort of suppliers from 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.

We also acknowledge that the Avery Dennison entities we have intercompany contracts with are in some higher risk countries such as China, India, Mexico, 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. 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 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 the world is still recovering 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.

We are also aware that the conflict in Ukraine has 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. We are mindful of these changes in our risk analysis.

3. Criteria 4 and 5: 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 the 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.

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 for 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. 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. We report our actions and engagements on human rights annually.

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 also 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. These avenues enable employees to confidentially report issues and concerns.

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 antitrust, social media, conflict of interest and other related topics that help us maintain a culture of ethical governance.

We regularly train our employees on our policies and procedures otherwise. Our Law Department conducts instructor-led training sessions for staff periodically. 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.

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 which have been reviewed and updated as recently as 2021. Our Global Supplier Standards detail the best practices and ethical behaviour we expect from our suppliers. We also strive to hold suppliers responsible for ensuring that any sub-contractors that produce goods or services for us meet these standards, 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.

Our Global Supplier Standards are supplemented by our Social Compliance Supplementary Standards which describe supplier obligations with regard to, among other things, forced labour, child labour, compensation, hours of labour, discrimination/human rights, freedom of association, disciplinary processes, health and safety and environmental standards in more detail, the document spanning 62 pages in total. Our Social Compliance Supplementary Standards were updated as recently as 2022. This document utilises 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. 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 a program for subcontractors 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. 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.

Audits

We conduct third party audits of our company-owned 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.

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.

3.1. Changing Risks Globally

We continue to respond to the ongoing challenges that flow 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.

In the previous years we implemented rigorous health and safety measures at our operations in Australia and worldwide including daily health screenings, mask-wearing, shift rotations to minimise exposure, enhanced testing protocols, remote work and online emotional support for employees in lockdowns. During the early weeks of the pandemic we also provided full pay to employees at facilities that had been closed due to government lockdowns and we

provided supplemental payments to front-line teams. The Avery Dennison Foundation (**ADF**) also launched a global employee assistance fund to support workers who were furloughed, laid off or terminated as a result of the COVID-19 pandemic and families who were impacted by the disease. We believe these measures considerably decreased the vulnerability of our workers during this period and as such, mitigated any potential risks of modern slavery as discussed above.

We also experienced increased demand for our products driven by increased sales of food, pharmaceuticals and personal hygiene products. The regional scale of our business allowed us to adapt to meet demand by shifting work around in different locations minimising service disruptions. We also mitigated risk to our supply chain by increasing stocks of key raw materials and finished goods early on in the pandemic. We shared freight resources with suppliers and offered our knowledge of best practices to help our suppliers secure government approval for production to continue during lockdowns.

Many of our teams have also played a role in the fight against the pandemic, through the design and creation of products such as digital verification solutions to authenticate COVID-19 testing kits and the production of PPE.

4. Criteria 6: Consultation

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

5. From Our Principal Governing Body

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

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



Darren Bruce Milligan

Director

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