

Enabling Sustainability Options with FSC-certified Products in Asia Pacific



If the world's mammals, birds and forests could speak right now, they'd be crying out for help.

That's because global deforestation and damage from large-scale agriculture, industrial plantations and illegal logging are devastating the natural world.

- ▶ 25% of the world's mammals and 11% of the world's bird species are at risk of extinction
- ▶ 100 species disappear each day
- ▶ The cultures and lifestyles of indigenous people are threatened
- ▶ Intact forests are being destroyed at the rate of 13 million hectares per year. In fact, we are losing forests the size of a football field approximately every second

Avery Dennison is determined to help reverse these trends through a proactive partnership with the Forest Stewardship Council™ (FSC).

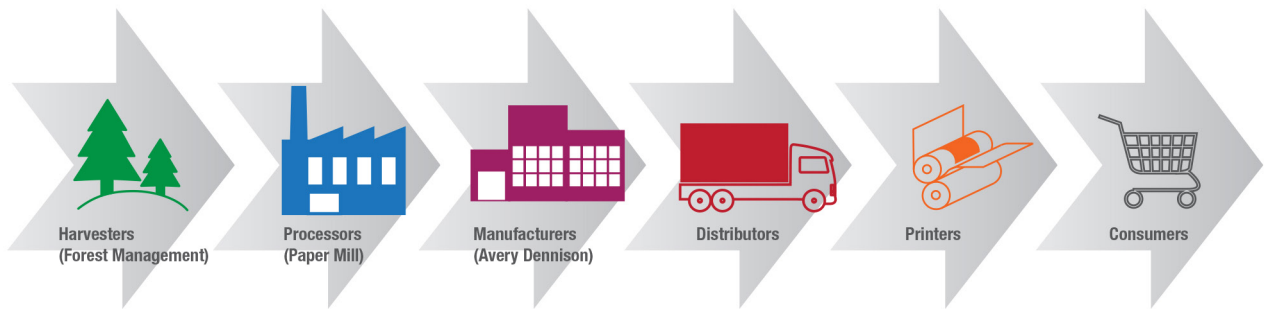
About FSC and COC

Founded in 1993, FSC is an international, nonprofit membership organization established to promote the environmentally sound, socially beneficial and economically prosperous management of the world's forests. Setting standards for responsible forest management, FSC's mission is for people and wildlife to have and use forests forever. Consequently, the organization has earned a reputation as the most rigorous, credible forest certification system available – a system that has been embraced by thousands of companies worldwide.

Key to FSC's success is its Chain-of-Custody (COC) certification program, which traces the path of raw materials harvested from an FSC-certified source as they move through the supply chain. Any company in this supply chain, including harvesters, processors, manufacturers, distributors, printers, converters, retailers* or anyone taking ownership of the forest product before the Brand Owner, needs to be FSC certified to be able to label or promote their products as FSC certified.

These rules have ramifications for brand owners and label converters alike.

CoC Certification: Forest to Final User



Why Brand Owners are Embracing FSC



Driven by government initiatives to minimize greenhouse gas emissions and landfill waste ... as well as increasingly stringent regulations to shut-down illegal logging in America, the EU, Australia, Japan, China and Indonesia ... a growing number of brand owners are asking for FSC certified products. They want to demonstrate that their products are responsibly sourced, as well as renewable, reusable and recyclable. Perhaps the most important motivator for companies' towards FSC compliance is Eco-conscious consumers. More than half of new FSC certificate holders say that client demands are the reason they've become FSC-certified.

Brand owners are becoming very serious in their pursuit of responsible sourcing. For example:

- ▶ Coca-Cola Enterprises had all cardboard and corrugated packaging FSC-certified by the end of 2015
- ▶ Unilever will source 100% of its paper and board for packaging from certified, sustainably managed forests or recycled material by 2020
- ▶ IKEA's 2020 goal is to source all wood from forests certified as responsibly managed.

Clearly, global brands and businesses want sustainable labeling and packaging. That means today's label converters are under pressure to both provide and use recycled materials and renewable resources. FSC certification is a way for converters to meet this growing demand.

Should Converters Get FSC Certification?

In a word, yes. Without FSC COC certification, converters will be unable to print the FSC logo on finished labels and packaging, thwarting brand owner desires to use FSC branding, undermining their ability to meet regional and global sustainability sourcing targets and possibly losing business.

Equally important to preventing the loss of business, FSC COC certification can build business for converters.

- ▶ It helps differentiate converters from their competition
- ▶ It cements their relationships with their brand owner customers by giving them the ability to better meet brand owner needs
- ▶ It creates the potential to add share by taking business away from other suppliers who cannot provide FSC products

What Converters Must Do To Get Certified

Obtaining COC certification is a simple process. It begins by contacting your local Avery Dennison representative who will connect you with your local FSC regional representative to kick off the process. A certifier will then come to your facility and determine whether the appropriate systems are in place to keep records of certified inventory. After completing the audit, the certifier will send you an assessment report for review. If you receive COC certification, you will sign a contract agreeing to FSC terms. You can then expect to be audited annually for compliance.

How Avery Dennison is Helping Converters Through its FSC Partnership

Recognizing that responsible sourcing helps to ensure the long-term sustainability of the products we provide, Avery Dennison has taken three important steps to improve the sustainability of our products while helping to create shared value for all of our stakeholders.

- 1. We have attained FSC COC certifications for all of our Avery Dennison facilities** producing and/or distributing our products across the region. That assures our converters – and their brand owner customers – that the paper fibre we source is from responsibly managed forests.
- 2. We have created a “Responsible Paper Procurement Policy”** reflecting our aim to use only paper and packaging materials made of wood fibre harvested under conditions that promote social and environmental responsibility. In fact, we pledge that by 2025, all of Avery Dennison sites will source 100 percent certified paper, of which 70 percent will be FSC-certified.
- 3. We now offer the broadest range of cost-neutral FSC-certified products** in Asia Pacific, including semigloss, wine, direct thermal and laser papers. Unlike with other label material suppliers, converters will not pay more for our paper products produced from sustainable sources. Our broad range of FSC-certified products give converters -- and brand owners -- the greatest flexibility in heightening their sustainability profile while creating memorable, cost neutral, shelf appeal differentiation.

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North Asia
5th Floor, Hongye Park
1801 Hongmei Road,
Xuhui District 200233,
Shanghai, China
+86 21 33951888

**South Asia Pacific and
Sub-Saharan Africa**
460 Alexandra Road
PSA Building, #28-02/03
Singapore 119963
+65.6349.0333

Europe
Willem Einthovenstraat 11
2342 BH Oegstgeest2300
AA Leiden
The Netherlands
+31 85 000 2000

Latin America
Rodovia Vinhedo-
Viracopos, KM 77
CEP 13280-000
Vinhedo - SP, Brazil
+55 19 3876-7600

North America
8080 Norton Pkwy
Mentor, OH 44060
800.944.8511