

# Avery Dennison RBIS - Responsible Sourcing Policy & Restricted Substances List (ADRSL V9)

Sustainability & Product Compliance Team  
Date: July 13,14,15th



# Responsible Sourcing Policy



# Executive Summary: Avery Dennison Responsible Sourcing Policy

## Background

Customers are asking Avery Dennison to sign their Responsible Sourcing Policies, and we do not have the necessary information to complete their requests from our supply chain.

## Objective

- Develop an AD RBIS Responsible Sourcing Policy, that focuses on Avery Dennison-RBIS' broader supply chain. Ensuring we have the data necessary from suppliers to sign our customers Responsible Sourcing Policies to reduce risk.

## Policy

- Complete policy - will be emailed to suppliers in August but also copied in the deck

## Timeline

- 2021 launch

## Next Steps

- Supplier training July
- Policy sent to suppliers August
- Receive back signatures from suppliers committing to policy by November 1st
- **Policy goes into effect November 1st, 2021**

# Avery Dennison Responsible Sourcing Policy Topics

1. Animal Derived Materials
  - a. Endangered and exotic species
    - i. OIE, CITES, IUCN
  - b. Animal welfare
2. Forest Derived Materials
  - a. US Lacey Act, EU Timber Regulation
3. Conflict Minerals
4. Forced Labor Prohibition
5. Documentation and Material Certification Claims
6. An Aim to Protect and Preserve the Environment While Providing Transparent Data
  - a. Environmental management and monitoring systems
  - b. Energy management
  - c. Water stewardship
  - d. Waste reduction and disposal
  - e. Emissions to air

# Animal Derived Materials

## 1. Endangered and Exotic Species

All materials/ products supplied to Avery Dennison must NOT contain plant or animal material of endangered species identified in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or International Union for the Conservation of Nature (IUCN) lists. For more information, please refer to the following websites:

OIE: <https://www.oie.int/en/animal-welfare/animal-welfare-at-a-glance/>

CITES: <https://www.cites.org/eng/disc/species.php>

IUCN: <https://www.iucn.org/resources/conservation-tools>

## 2. Animal Welfare

Avery Dennison recognizes the “Five Freedoms” by World Organisation for Animal Health (OIE) as the guiding principle for animal welfare. Suppliers must implement industry best practices to protect animal welfare and to properly carry out appropriate animal husbandry operations. Due to inhuman animal welfare conditions we do not source animal hides or furs from:

- Animals raised or slaughtered in India or China
- Any kind of animal fur, defined as any animal skin or part thereof with hair, fleece or fur fibres attached to it
- Hides or skins from exotic animals like crocodiles, snakes, sharks or fishes
- Downs and feathers that are plucked from living geese or birds, or those where force feeding has been applied
- Merino wool from sources where mulesing practices are still applied, regardless of the country of origin
- Angora wool, fibres or fabrics

# Forest Derived Materials

As a significant stakeholder in the supply chain of pulp and paper products, we recognize our important role and opportunity in promoting and providing sustainable and socially responsible paper products, specifically influencing our partners to not contribute to deforestation, for our sourcing decisions to promote and support biodiversity. Plant and timber products must comply with the US Lacey Act, the EU Timber Regulation, and the AD Corporate Responsible Paper Sourcing Policy.

- US Lacey Act: [https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/SA\\_Lacey\\_Act](https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/SA_Lacey_Act)
- EU Timber Regulation: [https://ec.europa.eu/environment/forests/timber\\_regulation.htm](https://ec.europa.eu/environment/forests/timber_regulation.htm)
- [AD Corporate Responsible Paper Procurement Policy](#)

# Conflict Minerals

No materials or products, semi-finished or finished, supplied to Avery Dennison may contain conflict minerals as identified under Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502 Conflict Minerals Statutory Provision. Conflict minerals are defined as the following minerals originated from Democratic Republic of the Congo and adjoining countries that may directly or indirectly have benefited armed groups:

- Columbite-Tantalite, also known as coltan (metal ore from which Tantalum is extracted);
- Cassiterite (the metal ore from which Tin is extracted);
- Gold;
- Wolframite (the metal ore from which Tungsten is extracted);
- or derivatives of above minerals

Please refer to the following website for conflict mineral related information:

<http://www.sec.gov/rules/final/2012/34-67716.pdf>

# Forced Labor Prohibition

Avery Dennison prohibits the purchase of raw materials that were made with forced labor. Forced labor is considered a zero tolerance issue, and any supplier found using forced labor will be removed from the supplier base.

Forced labor is often closely associated with certain industries and regions. For this reason, Avery Dennison may ask suppliers in such regions to sign a separate statement addressing the specific risks associated with that region.

All Avery Dennison suppliers are also required to be 3rd party audited for labor compliance under our ICAP standard, link here:

<https://rbis.averydennison.com/content/dam/averydennison/rbis/RSL/Avery-Dennison-ICAP-Audit-Standard-Ver3.2-English.pdf>



# Documentation and Material Certification Claims

If any claims related to the attribute of a product or materials are made by any of Avery Dennison's suppliers, they shall provide sufficient documentation as required at any time to verify these claims. These claims could include Global Recycling Standard, Forest Stewardship Council, Program for the Endorsement of Forest Certification, and the Better Cotton Initiative. Avery Dennison seeks to work with suppliers that have full traceability back to raw material sources.

# An Aim to Protect and Preserve the Environment While Providing Transparent Data

Avery Dennison aims to work and collaborate with suppliers that are embracing sustainability and reducing their environmental impact. Data in the below categories must be provided through Avery Dennison programs or 3rd party programs such as the CDP Supply Chain, ZDHC or the Higg Index.

## 1. Environmental Management and Monitoring Systems

Suppliers must have environmental monitoring systems which accurately measure and track operational and production impacts to air, water and any other environmental system which may be deemed necessary.

## 2. Energy Management

Suppliers must identify all applicable energy sources and energy consumption. We seek suppliers that set energy efficiency goals and document progress made toward achieving those goals.

## 3. Water Stewardship

Suppliers must identify and characterize all wastewater streams and install and maintain appropriately sized wastewater treatment systems to ensure pollutants are at or below legal levels.

## 4. Waste Reduction and Disposal

Suppliers must handle, store, transport and dispose of hazardous waste legally. We seek suppliers who demonstrate they actively work to reduce waste throughout the production process.

## 5. Emissions to Air

Suppliers must monitor and document all air emissions in accordance with the applicable regulatory requirements. Air emissions control devices must be installed and maintained to control pollutants at or below legally required levels.

# Project Brief:

## Current policies for AD suppliers (have ensured there is little overlap):

1. RBIS [Restricted Substance List \(RSL\) V9](#)
2. RBIS [ICAP standards](#) (RBIS only)
3. [Suppliers standards](#) (company wide)
4. [AD Corporate Responsible Paper Sourcing Policy](#)

## Details:

- Both suppliers and subcontractors are covered under the policy
- We are prepared to commit to audit this policy in cases of assumed noncompliance
- Suppliers would sign the policy by end of October 2021 and any changes would be covered under the same clause as RSL updates on purchase orders
  - At most an annual update in line with any RSL updates

# Next steps

- Complete supplier training - July 2021
- Documents sent to suppliers for review and signature August 2021
  - Understand the AD policy's topics as detailed in previous slides
- Suppliers check their supply chains to ensure their products meet requirements and send back signed policy end of October 2021
- **Policy goes into effect - November 1st, 2021**

## Questions?

- Please reach out to Sarah Swenson, Sustainability Team, [sarah.swenson@averydennison.com](mailto:sarah.swenson@averydennison.com)

# ADRSL V9 - Effective 1st July, 2021



# Background



What is Restricted Substance List “ RSL “ ?

- It is a list of hazardous chemicals / substances with test methods and limits
- It helps to ensure our products are free from banned chemicals / substances
- The first Avery Dennison RBIS Restricted Substances List (ADRSL) was implemented globally in 2008

Where can I download the latest ADRSL?

- <http://www.myrbis.averydennison.com/RSL/>

How was the ADRSL developed?



# Why do we need RSL?

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- Consumer Protection
- Worker Protection
- Environmental Protection
- Ensure our products can meet legal/ regulatory/ client's requirements



# What does this mean to our Suppliers

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- Avery Dennison cannot do it alone. We need the help of our suppliers
- Suppliers need to study and understand the requirement under the latest ADRSL
- Supplier needs to have thorough knowledge of the chemicals used in the manufacturing process and maintain an updated chemical inventory list
- Suppliers are responsible for ensuring the material or product supplied to AD does not contain substance listed in the ADRSL exceeding the allowable limit
- Supplier must notify AD immediately if the material or product supplied to AD cannot comply with ADRSL and/ or applicable legislation.
- Supplier should have signed the ADRSL agreement



# Supplier RSL Test

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- To support our commitment to product compliance, AD maintains an extensive Restricted Substances Testing Program
- AD reserves the right to request testing on materials and products. Suppliers may be notified if their raw material or product has been selected for testing
- Supplier will pay for the cost of RSL testing. In case of failure, supplier will also be responsible for costs associated with the failure, such as product recalls, shipment delay, validation of improved product, and product replacement.
- Testing is not required on all materials. AD will select materials/ products for testing based on risk analysis. The risk analysis takes into consideration material/ product type, manufacturing processes, production volume, past failure history, and other factors.

# Avery Dennison's Prefer Laboratories

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## **Bureau Veritas Consumer Products Services (Hong Kong)**

Josephine Lee

Executive, Customer Service, RS Division

Direct Line: +852 2331 0216

Email: [josephine.lee@bureauveritas.com](mailto:josephine.lee@bureauveritas.com)

## **Intertek Testing Services H.K. Ltd.**

Joyce Tong

Senior Client Services Manager

Phone no. +852 21738649

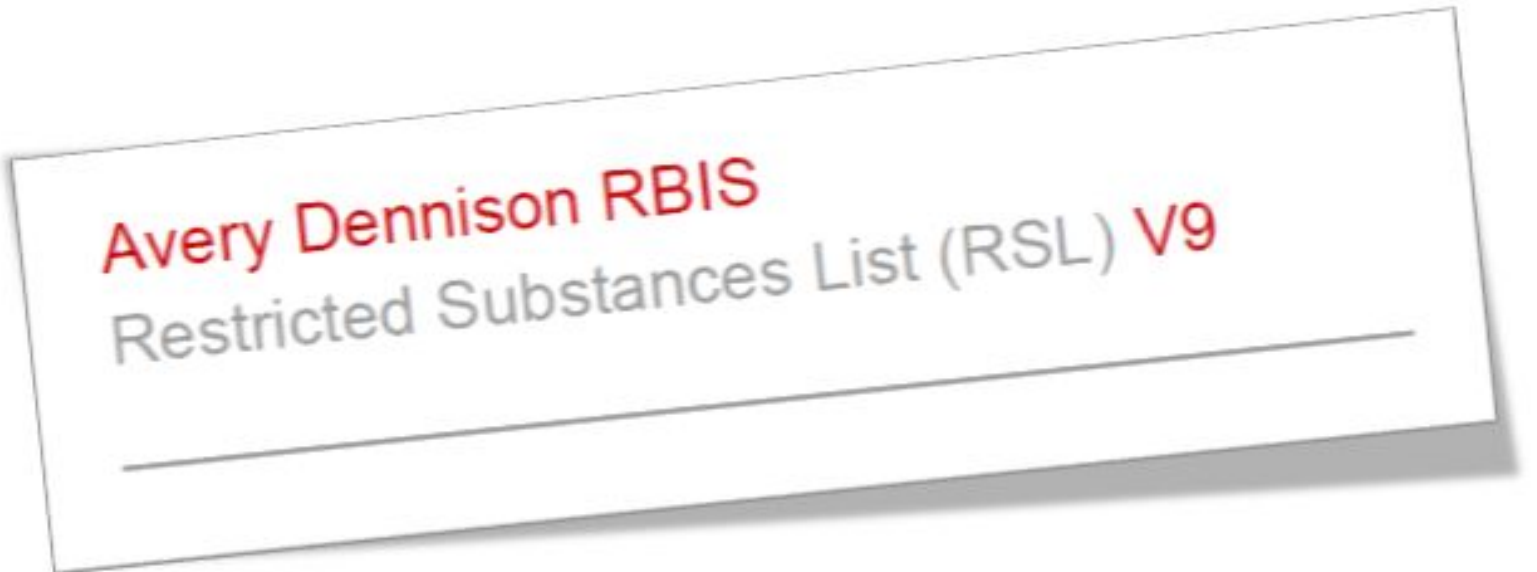
Email: [joyce.tong@intertek.com](mailto:joyce.tong@intertek.com)



# ADRSL Content

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1. Letter to Suppliers
2. Legal Compliance
3. RBIS Restricted Substances List and Limits
4. Implementation Guide
5. Frequently Asked Questions
6. Change Log



# Legal Compliance

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- Packaging and Packaging Waste

- On February 16, 2021, the US TPCH issued the 2021 update to the Model Toxics in Packaging Legislation. The list of regulated chemicals is expanded to include phthalates and perfluoroalkyl and polyfluoroalkyl substances (PFAS)

- Toxic Substances Control Act (TSCA)

- TSCA is administered by the United States Environmental Protection Agency (EPA) to regulate chemicals and prevent unreasonable risk to support chemical safety. We require all materials/ products supplied to Avery Dennison must be either listed on the TSCA Chemical Substance Inventory or be exempted/excluded from listing. If a substance is subject to a Significant New Use Rule (SNUR), all requirements must be fulfilled.

# Key Changes under Restricted Substances and Limits

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## Chemical restrictions updates:

Total 21 changes are made to restricted substances and limits

- 9 restricted substances newly added
- 12 existing restricted substances have PRSL limits updated
- No change made to MRSL limits

Changes are made to align with regulatory update (eg: US TSCA), industry standards (eg: AFIRM, Oekotex, ZDHC), and major retail brands' RSL requirements

# RBIS Restricted Substances List and Limits

Test Method

Category: Butylated Hydroxy Toluene (BHT)

<b>PRSL Test Method</b>	Solvent Extraction, GC-MSD Analysis		
Restricted Substance Name / Group	CAS #	PRSL Limit	MRSL Limit
Butylated Hydroxy Toluene (BHT)	128-7-0	Usage Ban in Packaging Material (1 mg/kg)	/

Substance Name

Unique numerical identifier assigned by the Chemical Abstracts Service (CAS)

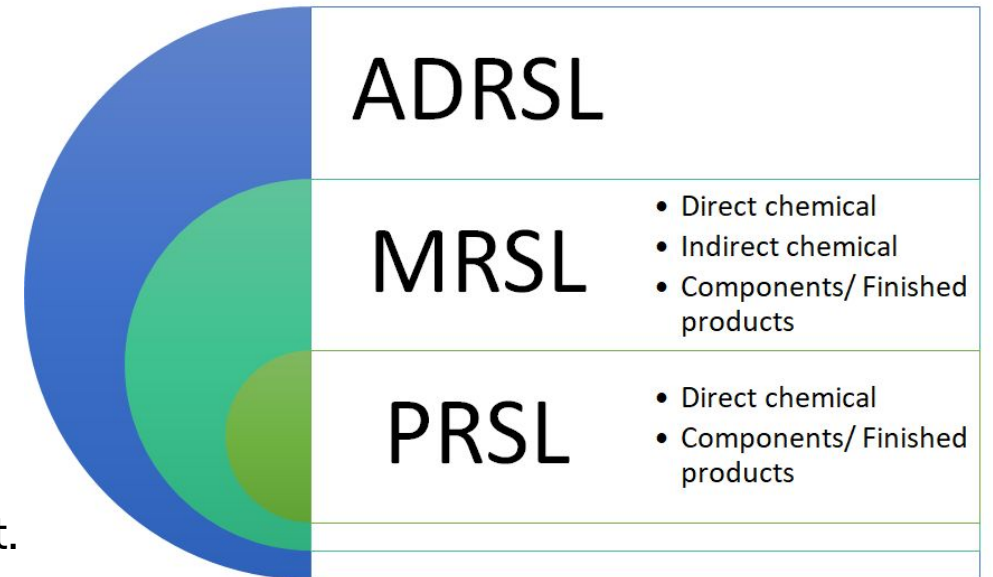
Limit of restricted substance

# PRSL vs MRSL

- **Product restricted substances list (PRSL)**
  - applies to direct chemicals, components, semi-finished/ finished products, and packaging. PRSL limits do not apply to indirect chemicals.
- **Manufacturing restricted substances list (MRSL)**
  - applies to all chemical substances used within manufacturing facilities, including both direct and indirect chemicals.

Difference between direct and indirect chemical:  
direct chemical will become part of the finished good, while indirect chemicals may be used during the manufacturing process, but is not intended to remain with the finished product.

- Example of direct chemicals: inks, adhesives, dyes, and colourants
- Examples of indirect chemicals: cleaners, detergents, chemicals used for instrument maintenance, wastewater treatment, sanitation and pest control.



# Newly Added Restricted Substances

Restricted Substance Name	CAS#	New Limit	Potential Occurrence
Bisphenol AF (BPAF)	1478-61-1	Monitoring	Commonly used to harden plastics; production of flame retardants, PVC, and thermal paper.
Bisphenol F (BPF)	620-92-8	PRSL limit Usage Ban (0.1 mg/kg)	
2,4,6-Tri-tert-butylphenol (2,4,6-TTBP)	732-26-3	PRSL limit 3000 mg/kg	Plastic (elastomeric and thermoplastic polymers)
Isopropylated Triphenyl Phosphate (IPTPP)	68937-41-7	PRSL limit Usage Ban (5 mg/kg)	Material with added flame retardant
Pentachlorothiophenol (PCTP)	133-49-3	PRSL limit Usage Ban (10,000 mg/kg)	Rubber
Perfluorodecanesulfonic Acid - Sodium Salt (PFDS-Na)	2806-15-7	PRSL limit Usage Ban (1 µg/m <sup>2</sup> ; 0.01 mg/kg)	Material with Water/ Dirt/ Grease Repellent applied
Perfluorodecanesulfonic Acid - Potassium Salt (PFDS-K)	2806-16-8	PRSL limit Usage Ban (1 µg/m <sup>2</sup> ; 0.01 mg/kg)	
Potassium Permanganate	7722-64-7	PRSL limit Usage Ban	Cotton, polyester, denim
Zinc Pyrithione	13463-41-7	PRSL limit Usage Ban (1000 mg/kg)	Antimicrobial (anti-odor) treatment on textile



# Existing Restricted Substances with Limit Changed

Restricted Substance Name	CAS#	New Limit	Potential Occurrence
Aniline	62-53-3	PRSL limit changed from Usage Ban (20 mg/kg) to Usage Ban (10 mg/kg)	Textile, Leather, Coating
1,4-Phenylenediamine	106-50-3	PRSL limit changed from Usage Ban (15 mg/kg) to Usage Ban (10 mg/kg)	Textile, Leather, Coating
Glyphosate	1071-83-6	PRSL limit changed from 5 mg/kg to Usage Ban (0.5 mg/kg)	Cotton
Glyphosate-isopropylamine	38641-94-0	PRSL limit changed from 5 mg/kg to Usage Ban (0.5 mg/kg)	Cotton
Glyphosate-potassium	70901-12-1	PRSL limit changed from 5 mg/kg to Usage Ban (0.5 mg/kg)	Cotton
Glyphosate-monoammonium	40465-66-5	PRSL limit changed from 5 mg/kg to Usage Ban (0.5 mg/kg)	Cotton
Hexachlorobutadiene (HCBD)	87-68-3	PRSL limit changed from 100 mg/kg to Usage Ban (5 mg/kg)	Plastic, rubber












# Existing Restricted Substances with Limit Changed (Con't)

- The total heavy metal limits do not apply to dyes and pigments containing a listed metal as an inherent compositional part (e.g. metal-complex colorants, the double salts of certain cationic colourants or extenders like barium sulfate). In these cases, the extractable content of the corresponding metal has to be considered.

Restricted Substance Name	CAS#	New Limit	Potential Occurrence
Total Copper (Cu)	7440-50-8	PRSL limit changed from 250 mg/kg to <b>Dye:</b> 250 mg/kg	Textile, Leather, Coating
Total Nickel (Ni)	7440-02-0	PRSL limit changed from 250 mg/kg to <b>Dye:</b> 250 mg/kg	Textile, Leather, Coating
Total Silver (Ag)	7440-22-4	PRSL limit changed from 250 mg/kg to <b>Dye:</b> 250 mg/kg	Textile, Leather, Coating
Total Tin (Sn)	7440-31-5	PRSL limit changed from 250 mg/kg to <b>Dye:</b> 250 mg/kg	Textile, Leather, Coating

# Test Matrix

- The Finished Product Matrix and Raw Material Matrix have been combined into one
- The combined test matrix contains the following 11 categories:

	A: Adhesive, HTL release		F: Paper
	B: Ink, dyes, coating, foil		G: Plastic, silicone, heat seal backing
	C: Leather (natural)		H: Textile (natural)
	D: Leather (synthetic)		I: Textile (synthetic)
	E: Metal		J: Textile (blend)
		K: Packaging - all material	

# Test Matrix

Restricted Substances	Non-packaging										Packaging
	A	B	C	D	E	F	G	H	I	J	K
	Adhesive, HTL release	Ink, dyes, coating, foil	Leather (natural)	Leather (synthetic)	Metal	Paper	Plastic, silicone, heat seal backing	Textile (natural)	Textile (synthetic)	Textile (blend) *1	All material
Azo Dyes <sup>^</sup>		•	•			•		•	•	•	•
APs, APEOs	•	•	•	•		•	•	•	•	•	•
<b>BHT</b>											•
Chlorinated Phenol	•	•	•	•		•		•	• *2	•	•
Dimethyl Formamide		• *3		•			• *3				
Disperse Dyes, Carcinogenic Dyes and Other Restricted Dyes <sup>^</sup>		•	•	•					•	•	
Formaldehyde	•	•	•	•		•		•	•	•	•
Total Heavy Metals <sup>^</sup>	•	•	•	•	•	•	•				
Chromium VI			•								
Nickel Release					• *4						
Extractable Heavy Metals <sup>^</sup>	•	•	•	•		•	•	•	•	•	•
Organotins	•	•	•	•		•	•	•	•	•	•
<b>PFCs</b>											• *5
Pesticides			•			•		•		•	•
pH			•	•				•	•	•	
Phthalates	•	•		•			•				• *6
PAHs <sup>^</sup>	•	•		•			•				
SCCPs	•	•	•	•			•				
Heavy Metals in Packaging and Packaging Component (94/62/EC, TPCH)											•

- \*1: material consists of both natural and synthetic textiles
- \*2: apply on polyester material only
- \*3: apply on PU/ TPU material only
- \*4: apply on component with prolonged contact with skin only
- \*5: apply on material with fluorinated finish only
- \*6: apply on plasticized material only
- <sup>^</sup> : these tests are colour-related

# Questions?

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Sustainability team contact:

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# Thank you



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