

4 September 2018
Avery Dennison RBIS
101 Federal Street
Boston, MA 02110



Retail Branding and
Information Solutions

Dear Ms. McMullan

I am writing in response to the recent communication you sent from the International Union League for Brand Responsibility, regarding the Avery Dennison labor dispute in India.

Avery Dennison and GATWU, with NTUI as its representative, are currently engaged in a structured mediation process (in addition to the process before the Deputy Labour Commissioner, Bangalore Region 1). Our intent is to work with GATWU to resolve concerns as quickly as possible. Both parties agreed to confidentiality for the mediation discussions, but it is clear that some information has been improperly shared.

While GATWU is pushing for automatic union recognition, our primary focus of the mediation is to resolve the employee issues. After the employee issues are resolved, we are open to discussing a potential process for recognition. This process will require due diligence and careful consideration:

- At present, we have two unions claiming a majority. We have already had to deal with a few incidents involving physical conflict between members of the two unions at the site.
- Any future discussion of union recognition would need to be well prepared, follow a legally compliant process, and can only be contemplated if all involved act responsibly and collaboratively, including helping to maintain harmony at the site.
- It will be critical to understand how the unions see industrial relations developing in the future, and how they will take their responsibility in looking out for the interests and safety of all working at the site.

We also feel compelled to correct the record about a number of allegations:

- **Video Cameras:** Video cameras are being installed in our India facility, as required by a recent government legislation. The safety of our employees is a top priority, and given past incidents in the facility, we are taking measures to keep our workplace safe.
- **Wall Construction:** No wall has been constructed at our India facility.
- **Employee Gift:** As an annual, customary practice, a gift is given to India employees (all full time and contract workers) to acknowledge their contributions to the business. This established practice has taken place over a number of years. The timing and value of this year's gift is consistent with past actions. While some employees chose not to receive this year's gift, no gifts were returned.

- **Rumor of India Factory Closure:** This rumor is completely unsubstantiated.

Avery Dennison operates in complete compliance with applicable Indian laws, and our employment of contract workers is regularly audited by our customers and inspected by regulatory authorities. We remain steadfast in our commitment to respecting human rights and fair labor practices through our business activities.

We will share regular updates about this important issue, as appropriate. We continue our attempts to work with GATWU, in hopes of coming to an amicable resolution. Please feel free to contact me if you have any questions.

Helen Sahi
Global Senior Director, Sustainability