UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☐ Definitive Proxy Statement
☒ Definitive Additional Materials
☐ Soliciting Material Pursuant to § 240.14a-12

AVERY DENNISON CORPORATION
(Name of Registrant as Specified in Its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

☒ No fee required.

☐ Fee paid previously with preliminary materials.

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.

2022 Proxy Season Stockholder Engagement

Spring 2022

AVERY DENNISON

Safe Harbor Statement

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, and financial or other business targets, are subject to certain risks and uncertainties. Forward-looking statements also include those related to the acquisition of Vestcom, including its effect on our long-term targets and future financial results. We believe that the most significant risk factors that could affect our financial performance in the near-term include: (i) the impacts to underlying demand for our products and/or foreign currency fluctuations from global economic conditions, political uncertainty, changes in environmental standards and governmental regulations, including as a result of COVID-19; (ii) the availability of raw materials; (iii) competitors' actions, including pricing, expansion in key markets, and product offerings; (iv) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through price increases, without a significant loss of volume; and (v) the execution and integration of acquisitions, including our acquisition of CB Velocity Holdings, LLC (“Vestcom”).

Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but are not limited to, risks and uncertainties relating to the following:

- COVID-19
- International Operations – worldwide and local economic and market conditions; changes in political conditions; and fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets
- Our Business – fluctuations in demand affecting sales to customers; fluctuations in the cost and availability of raw materials and energy; changes in our markets due to competitive conditions, technological developments, environmental standards, laws and regulations, and customer preferences; the impact of competitive products and pricing; execution and integration of acquisitions, including our acquisition of Vestcom; selling prices; customer and supplier concentrations or consolidations; financial condition of distributors; outsourced manufacturers; product and service quality; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; successful implementation of new manufacturing technologies and installation of manufacturing equipment; our ability to generate sustained productivity improvement; our ability to achieve and sustain targeted cost reductions; and collection of receivables from customers
- Income Taxes – fluctuations in tax rates; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; retention of tax incentives; outcome of tax audits; and the realization of deferred tax assets
- Information Technology – disruptions in information technology systems or data security breaches, including cyber-attacks or other intrusions to network security; and successful installation of new or upgraded information technology systems
- Human Capital – recruitment and retention of employees; and collective labor arrangements
- Our Indebtedness – credit risks; our ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest rates; volatility of financial markets; and compliance with our debt covenants
- Ownership of Our Stock – potential significant variability of our stock price and amounts of future dividends and share repurchases
- Legal and Regulatory Matters – protection and infringement of intellectual property; impact of legal and regulatory proceedings, including with respect to environmental, anti-corruption, health and safety, and trade compliance
- Other Financial Matters – fluctuations in pension costs and goodwill impairment

For a more detailed discussion of these factors, see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2021 Form 10-K, filed with the Securities and Exchange Commission on February 23, 2022.

The forward-looking statements included in this document are made only as of the date of this document, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

Avery Dennison at a Glance

We are a global materials manufacturer of branding and information labeling solutions and functional materials for the consumer goods, apparel, food, logistics, industrial and healthcare industries.

Highlights

$14.6B | Market cap[1]

$8.4B | 2021 Net sales

~36K | Employees

50+ | Countries with operations

Sustainable competitive advantages

- Global scale; nearly 200 operating locations
- Innovative materials science capabilities; vertically integrated in adhesives
- Innovative process technology
- Operational and commercial excellence
- Industry-leading innovations enabling functionality and sustainability

[1] As of March 28, 2022

Business Segments

Label and Graphic Materials (LGM)	• **2021 net sales of $5.4B (65% of total net sales)** • Largest global provider of self-adhesive materials for packaged goods and variable information labeling • Leading provider of graphic and reflective solutions
Retail Branding and Information Solutions (RBIS)	• **2021 net sales of $2.2B (26% of total net sales)** • Largest global provider of tickets, tags and labels, sustainable packaging, and RFID and other solutions for branding and information management purposes for retail and other end markets
Industrial and Healthcare Materials (IHM)	• **2021 net sales of $0.8B (9% of total net sales)** • Leading provider of tapes, fasteners and medical pressure-sensitive adhesive based materials and products

ESG Spotlight: Leading in an Environmentally and Socially Responsible Manner

Following our biennial materiality assessment, in 2021 we reframed our 2025 goals into three broader goals we are aiming to achieve by 2030 that better reflect the ESG challenges facing our company and stakeholders

2025 Goals	2021 Results
3% absolute GHG reduction every year (26% cumulative by 2025)(1)	48% cumulative(2)
100% certified paper **70% Forest Stewardship Council (FSC)-certified face paper**	91% certified 81% FSC (face paper)
95% landfill-free **75% waste recycled**	94% landfill-free 67% recycled(2)
70% of films we buy conform to, or enable end products to conform to, our environmental and social guiding principles **70% of chemicals we buy conform to, or enable end products to conform to, our environmental and social guiding principles**	97% of films 96% of chemicals
70% of revenues from sustainability-driven products	LGM: 50% RBIS: 55%
40% women in manager level and above	35%
Maintain world-class safety and employee engagement scores	0.21 Recordable Incident Rate (RIR) 82% engagement
Publicly commit to goals/report progress	Published ESG Download and Integrated Report

2030 Goals	Targets
Reduce the environmental impact in our operations and supply chain	• Reduce out Scope 1 and 2 emissions by **70%** (against 2015 baseline) and work with our supply chain to reduce Scope 3 emissions by **30%** (against 2018 baseline) by 2030 – with an ambition of **net zero by 2050** • Source **100%** of paper fiber from certified sources, focusing on a deforestation-free future • Divert **95%** of waste away from landfills, with a minimum of 80% of our waste recycled and the remainder either reused, composted or sent to energy recovery • Deliver a **15%** increase in water efficiency at our sites that are located in high risk countries as identified in the World Resources Institute Aqueduct Tool

Deliver innovations that advance the circular economy	• Satisfy the recycling, composting or reuse requirements of all single-use consumer packaging and apparel with our products and solutions
	• Metrics:
	  • **RBIS**: **100%** of core product categories meet our third-party verified Sustainable ADvantage™ standard
	  • **LGM**: **100%** of standard label products contain recycled or renewable content; all regions have labels that enable circularity of plastics

Make a positive social impact by enhancing the livelihood of our people & communities	• Foster an engaged team and inclusive workplace by ensuring our employees represent the community in which they live and work
	• Metrics:
	  • **85%** inclusion index, **82%+** employee engagement, **40%** women in manager level or above positions, **0.2 RIR**
	  • Support employee participation in Avery Dennison Foundation grants and foster the well-being of local communities

Our ESG website at esg.averydennison.com provides a comprehensive overview of our strategies and goals, as well as downloadable reports, policies, and indices.
In response to stockholder feedback and broader stakeholder interest, we reported our 2021 EEO-1 data in our March 2022 ESG Download.

(1) GHG baseline and actual data are from Q3 YTD comparisons (Q3 2015 to Q3 2021).
(2) 2021 waste and recycling data are from Q3 YTD.

Diverse Director Nominees Drive Balanced Board and Robust Oversight

Our Board oversees, counsels and ensures management is serving the best interests of our company and stockholders, with the goal of maximizing the performance of our businesses and delivering long-term value for all our stakeholders

- ✓ **88% independent**
- ✓ **Regular Board refreshment and succession planning**

Andres Lopez
President & CEO,
O-I Glass

Anthony Anderson
Retired Vice Chair & Managing Partner,
Ernst & Young

Bradley Alford
Retired Chairman & CEO,
Nestlè USA

Ken Hicks
Chairman, President & CEO, Academy Sports + Outdoors

Julia Stewart
Chair & CEO,
Alurx

Martha Sullivan
Retired CEO,
Sensata Technologies

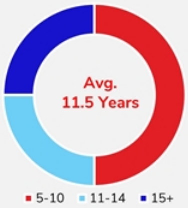
Mitchell Butier
Chairman & CEO,
Avery Dennison

Patrick Siewert
Managing Director & Partner, The Carlyle Group

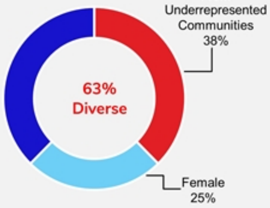
Director Nominee Demographics

Age

Tenure



Diversity



Lead Independent Director; primary responsibilities:

- **Preside over executive sessions of independent directors** and Board meetings where Chairman/CEO is not present
- **Serve as liaison** between Chairman/CEO and independent directors
- **Approve Board meeting agendas and schedules**
- **Call meetings of independent directors**
- **Consult and meet with our stockholders**

Matrix of Director Nominee Skills and Qualifications (1 of 2)

Our Board's ongoing director succession planning is designed to ensure an independent, well-qualified Board, with diversity in skills, qualifications and demographic backgrounds that enables effective independent oversight and aligns with our business strategies and ESG priorities.

	Alford	Anderson	Butier	Hicks	Lopez	Siewert	Stewart	Sullivan
GOVERNANCE GUIDELINES CRITERIA[1]								
Independent	✓	✓		✓	✓	✓	✓	✓
Senior Leadership Experience	✓	✓	✓	✓	✓		✓	✓
Industry Experience	✓		✓	✓	✓	✓	✓	✓
Global Exposure	✓	✓	✓	✓	✓	✓	✓	✓
Board Experience	✓	✓		✓	✓	✓	✓	✓
Financial Experience		✓	✓			✓		
INDUSTRY EXPERIENCE								
Software/Digital/Cybersecurity[2]								
Retail/Dining				✓			✓	
Packaging			✓		✓			
Consumer Goods	✓			✓		✓		
Industrial Goods			✓					✓
Materials Science			✓					

[1] Information as of March 2022. Governance Guidelines criteria defined on page 14 of 2022 Proxy Statement.
[2] Departing Director Mark Barrenechea had this expertise, which is among the skills the Governance Committee and our Board will seek in new directors.

Matrix of Director Nominee Demographic Backgrounds (2 of 2)

Reflecting our values, our Board recognizes the benefits of diversity in the boardroom, including the healthy debate that results from different viewpoints that may stem from diverse backgrounds

	Alford	Anderson	Butier	Hicks	Lopez	Siewert	Stewart	Sullivan
DEMOGRAPHIC BACKGROUND								
Tenure (years)*	12	9	5	14	5	16	19	9
Age*	65	66	50	69	59	66	66	65
Mandatory Retirement Year	2029	2028	2044	2025	2035	2028	2028	2029
Gender								
Female							✓	✓
Male	✓	✓	✓	✓	✓	✓		
Non-Binary Gender								
Race/Ethnicity								
Black or African American		✓						
Hispanic or Latino					✓			
White	✓		✓	✓	✓	✓	✓	✓
Asian (including South Asian)								
Native Hawaiian or Pacific Islander								
Native American or Alaska Native				✓				
LGBTQ+								
Veteran				✓				
Lives/Has Lived Abroad	✓		✓		✓	✓		

* Information as of March 2022.

CEO Pay-for-Performance 2021 Compensation Overview

The Compensation Committee establishes our CEO's Total Direct Compensation (TDC) to incent strong operational, financial performance and superior stockholder value creation, as well as advance our strategic and ESG priorities

		Base Salary (12%)	• Annual fixed-cash compensation • Generally around market median

88% Performance-Based	Annual	Annual Incentive Plan (AIP) Award (17%)	• Drives performance consistent with our company's financial goals for the year
			• Financial Modifier
			  • **60% Adjusted EPS**
			  • **20% Adjusted Sales Growth**
			  • **20% Free Cash Flow**
			• Individual performance modifier based on achievement against predetermined strategic objectives, including ESG progress

88% Performance-Based	Long-Term	Performance Units (PUs) (36%)	• 100% Financial Performance
			  • **50% Relative TSR[1]**
			  • **50% Cumulative EVA[2]**
			• Three-year cliff vesting
			• **Relative TSR payout capped at 100% if absolute TSR is negative**

88% Performance-Based	Long-Term	Market-Leveraged Stock Units (MSUs) (35%)	• 100% Financial Performance
			  • **100% Absolute TSR[3]**
			• Vest over four-years based on one-, two-, three-, and four-year performance periods
			  • Average 2.5-year performance period

Rigorous Compensation Structure Informed by Stockholder Feedback

- ✓ Targeting constant, three-year TDC to align with our long-term approach to planning our strategies and setting our financial and sustainability targets
- ✓ AIP targets generally established at or above midpoint of annual guidance and consistent with achievement of our long-term financial goals
- ✓ LTI awards provide higher realized compensation for exceeding performance targets and downside risk (up to and including cancellation) for failing to achieve threshold performance, with EVA targets set consistent with our externally communicated long-term financial goals for earnings growth and ROTC
- ✓ ESG-related contributions considered in annual individual performance evaluation

Note, Percentages reflect 2021 target TDC.
[1] Relative TSR compares our TSR to the TSR of companies in a peer group satisfying objective criteria for industry classification and revenue size, the names of which are disclosed on page 71 of our 2022 proxy statement
[2] Economic Value Added (EVA) is a measure of financial performance calculated by deducting the economic cost associated with the use of capital (weighted average cost of capital multiplied by average invested capital) from after-tax operating profit
[3] Absolute TSR measures the return that we provided our stockholders, including stock price appreciation and dividends paid (assuming reinvestment of dividends)

Commitment to Strong Corporate Governance Practices

Our corporate governance program reflects our values and facilitates our Board's independent oversight of our company, and our executive compensation program aligns with our long-term financial goals and business strategies

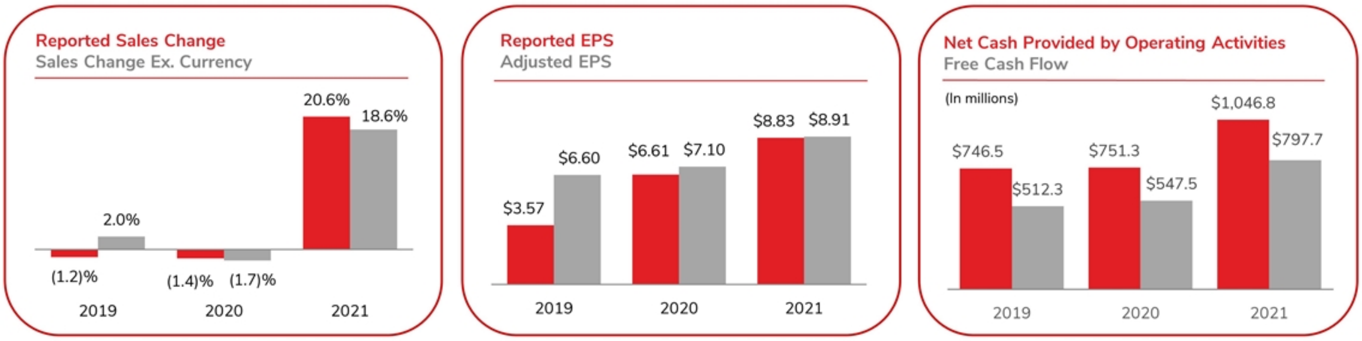
Stockholder Rights	✓ Market-standard proxy access ✓ No supermajority voting requirements	✓ No poison pill ✓ No exclusive forum or fee-shifting bylaws
Board Governance	✓ Annual election of directors ✓ Majority voting in director elections ✓ Single class of outstanding voting stock ✓ Director nominees 88% independent ✓ Robust Lead Independent Director role ✓ Regular director succession planning and Board refreshment ✓ Robust, ongoing stockholder engagement program	✓ Continuous executive succession planning and leadership development ✓ Annual Board evaluations ✓ Mandatory director retirement policy at age 72 with no exemptions or waivers allowed or granted ✓ Governance Guidelines ✓ Strong Committee governance ✓ Direct access to management and experts
Executive Compensation	✓ 88% of CEO 2021 target TDC tied to company performance ✓ 71% of CEO 2021 target TDC equity-based to incent delivery of long-term stockholder value ✓ Rigorous stock ownership policy; requires CEO ownership of ~6x base salary, with 50%+ held in vested shares ✓ Double-trigger equity vesting requires termination of employment after change of control ✓ YE 2021 three-year average burn rate of 0.58%, in line with 50th percentile of S&P 500 companies	✓ Compensation clawback in event of accounting restatement ✓ Independent compensation consultant retained and serving at direction of Compensation Committee ✓ Annual Compensation Committee evaluation and charter review ✓ Periodic formal risk assessment of compensation policies and practices ✓ Releases from liability and restrictive covenants for departing executives ✓ Compensation Committee review of NEO tally sheets reflecting all compensation components

Appendix A:

Financial Highlights

Sustainable Value Creation Fueled by Consistent Execution of Key Strategies

Drive outsized growth in high-value categories	Grow profitability in our base businesses	Focus relentlessly on productivity	Allocate capital effectively	Lead in an environmentally and socially responsible manner

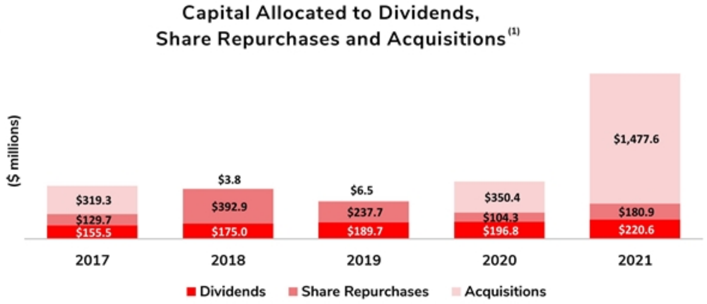


GDP+ growth and top-quartile returns driving continued superior value creation

Disciplined Capital Allocation Driving Long-Term Stockholder Value

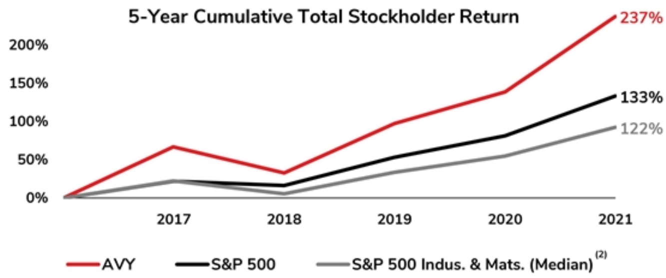
Capital Allocation

- In 2017-2021, we allocated over $2 billion to acquisitions and venture investments and nearly $2 billion to dividends and share repurchases
- We also invested in our businesses to support organic growth and pursued complementary and synergistic acquisitions, including Vestcom in Q3 2021
- We raised our quarterly dividend rate by ~10% in April 2021 – after having raised it by ~7% in October 2020 – reflecting our strong recovery from the extraordinary impact of COVID-19 in mid-2020



Stockholder Value Creation

- Over the last 5 years, we have created significant stockholder value, outperforming the S&P 500 and the median of the S&P Industrials and Materials indices on a cumulative TSR basis
- We experienced strong TSR in 2021 despite the uncertain macroeconomic environment during most of the year as a result of COVID-19, delivering TSR of over 40% and outperforming the S&P 500 and the median of the S&P Industrials and Materials indices



[1] Includes venture investments
[2] Based on median of companies in both subsets as of December 31, 2021

Appendix B:

Reconciliation of Non-GAAP Financial Measures from GAAP

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the presentation of our financial results that are prepared in accordance with GAAP. Based on feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessments of our performance and operating trends, as well as liquidity.

Our non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP financial measures, may make it difficult to assess our underlying performance in a single period. By excluding the accounting effects, positive or negative, of certain items (e.g., restructuring charges, outcomes of certain legal proceedings, certain effects of strategic transactions and related costs, losses from debt extinguishments, gains or losses from curtailment or settlement of pension obligations, gains or losses on sales of certain assets, gains or losses on venture investments and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency, or timing.
We use these non-GAAP financial measures internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for quarters and year-to-date periods, as applicable.

We use the following non-GAAP financial measures in this presentation:

• **Sales change ex. currency** refers to the increase or decrease in net sales, excluding the estimated impact of foreign currency translation, and, where applicable, an extra week in our fiscal year and the calendar shift resulting from the extra week in the prior fiscal year, currency adjustment for transitional reporting of highly inflationary economies, and the reclassification of sales between segments. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.
• **Organic sales change** refers to sales change ex. currency, excluding the estimated impact of acquisitions and product line divestitures.

We believe that sales change ex. currency and organic sales change assist investors in evaluating the sales change from the ongoing activities of our businesses and enhance their ability to evaluate our results from period to period.

•**Adjusted net income per common share, assuming dilution (adjusted EPS)**, refers to adjusted net income divided by weighted average number of common shares outstanding, assuming dilution. Adjusted net income is income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items. Adjusted tax rate is the full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact that rate, such as effects of certain discrete tax planning actions, impacts related to the enactment of the U.S. Tax Cuts and Jobs Act (TCJA), where applicable, and other items. We believe that adjusted EPS assists investors in understanding our core operating trends and comparing our results with those of our competitors.

• **Free cash flow refers** to cash flow provided by operating activities, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from insurance and sales (purchases) of investments. Free cash flow is also adjusted for, where applicable, certain acquisition-related transaction costs and the cash contributions related to the termination of our U.S. pension plan. We believe that free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases and acquisitions.

Reconciliation of Non-GAAP Financial Measures from GAAP

ORGANIC SALES CHANGE

($ in millions)	2017	2018	2019	2020	2021	2017-2021 5-YR CAGR[1]
Net sales	**$6,613.8**	**$7,159.0**	**$7,070.1**	**$6,971.5**	**$8,408.3**	6.7%
Reported net sales change	8.7%	8.2%	(1.2)%	(1.4)%	20.6%	
Foreign currency translation	(0.5)%	(1.4)%	3.3%	0.9%	(3.4)%	
Extra week impact	–	–	–	(1.3)%	1.4%	
Sales change ex. currency (non-GAAP)[2]	8.2%	6.9%	2.0%	(1.7)%	18.6%	6.6%
Acquisitions and product line divestitures	(3.9)%	(1.4)%	–	(1.7)%	(3.1)%	
Organic sales change (non-GAAP)[2]	4.2%	5.5%	2.0%	(3.4)%	15.6%	4.6%

(1) Reflects five-year compound annual growth rate, with 2016 as the base period.

(2) Totals may not sum due to rounding and other factors.

Reconciliation of Non-GAAP Financial Measures from GAAP

ADJUSTED EARNINGS PER SHARE (EPS)

	2016	2017	2018	2019	2020	2021	2017-2021 5-YR CAGR[1]	2020-2021 % Change
As reported net income per common share, assuming dilution	**$3.54**	**$ 3.13**	**$ 5.28**	**$ 3.57**	**$6.61**	**$8.83**	20.1%	33.6%
Non-GAAP adjustments per common share, net of tax:								
Restructuring charges and other items[2]	0.48	0.29	0.68	0.47	0.48	0.05		
Pension plan settlement and curtailment losses	–	–	0.84	3.12	0.01	0.03		
Tax benefit from discrete foreign tax structuring and planning transactions	–	–	(0.35)	(0.56)	–	–		
TCJA provisional amounts and subsequent adjustments[3]	–	1.91	(0.39)	–	–	–		
Impact of previously planned repatriation of foreign earnings for Q4 2017	–	(0.33)	–	–	–	–		
Adjusted net income per common share, assuming dilution (non-GAAP)	$4.02	$ 5.00	$ 6.06	$ 6.60	$7.10	$8.91	17.3%	25.4%

The adjusted tax rates were 32.8%, 28.0%, 25.0%, 24.6%, 24.1% and 25.0% for 2016, 2017, 2018, 2019, 2020 and 2021, respectively.

(1) Reflects five-year compound annual growth rate, with 2016 as the base period.

(2) Includes restructuring charges, transaction and related costs, gain/loss on venture investments, gain/loss on sale of assets, gain on sale of product line, outcomes of legal proceedings, Argentine peso remeasurement transition loss, reversal of acquisition-related contingent consideration and other items.

(3) In the fourth quarter of 2018, we finalized our provisional amounts as defined under SEC Staff Accounting Bulletin No. 118 related to the TCJA.

Reconciliation of Non-GAAP Financial Measures from GAAP

FREE CASH FLOW

($ in millions)	2019	2020	2021
Net cash provided by operating activities	**$ 746.5**	**$ 751.3**	**$1,046.8**
Purchases of property, plant and equipment	(219.4)	(201.4)	(255.0)
Purchases of software and other deferred charges	(37.8)	(17.2)	(17.1)
Proceeds from sales of property, plant and equipment	7.8	9.2	1.1
Proceeds from insurance and sales (purchases) of investments, net	4.9	5.6	3.1
Payments for certain acquisition-related transaction costs	–	–	18.8
Contributions for U.S. pension plan termination	10.3	–	–
Free cash flow (non-GAAP)	$ 512.3	$ 547.5	$ 797.7