Avery Dennison Pension Plan (the 'Plan')

Chair's Statement from 1 November 2018 to 31 October 2019

This statement covers four key areas:

- The investment strategy relating to the Plan's default options;
- The processing of Plan financial transactions;
- Charges and transaction costs within the Plan; and,
- The Trustee's compliance with the statutory knowledge and understanding requirements.

Annual Statement Regarding Governance

Under legislation set out in Regulation 23 of The Occupational Pension Schemes (Scheme Administration and Disclosure) (Amendment) Regulations 2018 (the 'Administration Regulations'), the Trustee of the Avery Dennison Pension Plan (the 'Trustee') is required to prepare this Statement on governance for inclusion in the Trustee's annual report. This document sets out the Statement covering the period 1 November 2018 to 31 October 2019.

The Trustees acknowledge the requirement to publish this Statement on a website (https://vfm.aviva.co.uk/avery-dennison-pension-F69285/) and this Statement will be available in time for the deadline of seven months following the Plan year end and signposted on annual benefit statements.

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP') prepared for the Plan under Section 35 of the Pensions Act 1995 (the '1995 Act') and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the 'Investment Regulations') and can be found in Appendix A.

The default investment option

The current default investment lifestyle option ('default lifestyle') for the Plan, known as the 'Do it for me' investment option, is the Aviva Pension Mercer Target Drawdown Retirement Path (a lifestyle strategy). This invests in the Aviva Pension Mercer Growth / Balanced Risk FP[1] Fund in the growth phase; the period up to eight years prior to a member's target retirement date. Eight years before their target retirement date members will have their holdings in the Aviva Pension Mercer Growth / Balanced Risk FP Fund transferred into a Mercer Target Drawdown Retirement Path Fund. This fund gradually moves investments from growth-seeking assets to investments appropriate for members who intend withdrawing 25% of their retirement savings as a cash lump sum at retirement and leaving the remainder invested to make withdrawals as required.

The Trustee and their professional advisers, Mercer Limited ('Mercer'), review how the funds within the Plan's default lifestyle and wider fund range have performed against the investment

[1] FP refers to Friends Provident, a former company name.

managers' objectives and benchmarks. This is discussed at each semi-annual Trustee meeting and via the quarterly investment performance monitoring reports produced by Mercer.

The Trustee undertakes a holistic and strategic review of the Plan's default investment arrangements triennially; ad hoc reviews of strategy and / or investment policy are also undertaken in the event of significant legislative, market or member demographic changes.

The Trustee undertook a review of the Plan's default investment strategy on 17 September 2018. This review covered the target for the default lifestyle, the funds which comprise the default lifestyle and the self-select funds available to members. Following this review of the Plan's investment arrangements the Trustee decided to change the default strategy from the Target Annuity Retirement Path to the Target Drawdown Retirement Path. This change was implemented between 3 July 2019 and 23 July 2019. Members were given the option to opt out of this change. We have provided details regarding this change below.

The review of the default investment option took into consideration:

- The trends seen in the overall market, and specifically within the Plan, on how members are accessing their pensions at retirement.
- Current and projected pot sizes of members, using market data to suggest how these members might be likely to access their pension pots in the future.
- Analysis of the current member demographics including both active and deferred members of the Plan.
- The mismatch risk between the retirement destination targeted by an investment strategy and how a member chooses to access their retirement savings.
- Performance of the investment funds and overall default against the aims and objectives, as covered in the quarterly investment report.

The aims of the default option are now: to generate returns in excess of inflation during the growth phase whilst managing the likelihood and amount of loss that could result from a fall in investment value, to provide a strategy that reduces investment risk as the member approaches retirement, and to provide exposure to assets broadly appropriate for an individual planning to take a 25% tax-free cash lump sum at retirement and leave the remainder invested to make withdrawals as required.

The new retirement destination was thought to minimise the risk that assets held at retirement are inappropriate for members accessing their savings in an alternative way but also likely to be the way that most members will access their defined contribution savings given the projected pot sizes at retirement.

In designing the default lifestyle, the Trustee has considered the trade-off between risk and expected returns. Assets invested in the default lifestyle are invested in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole. The Trustee believes that members' interests are best served by investing in a default lifestyle which invests in growth assets in the early years, and seeks to reduce investment risk as member's approach retirement whilst at the same time choosing funds which are low cost. As noted above, the Trustee reviews the default lifestyle regularly (at least every three years) and recognises that this option will not be appropriate for all members and therefore encourages members to make their own investment decisions. The next such review is scheduled for October 2021.

Requirements for processing financial transactions

As required by the Administration Regulations, the Trustee must ensure that core financial transactions are processed promptly and accurately.

This includes:

- Investment of contributions paid to the Plan;
- Transfers of members' assets into and out of the Plan;
- Transfers of members' assets between different investment options available in the Plan; and,
- Payments from the Plan to, or in respect of, members.

The Trustee has delegated the administration of Plan member records and investment platform services to Aviva Life & Pensions UK Limited ('Aviva'), under agreement with Mercer Workplace Savings ('MWS'). The Trustee appointed Aviva and MWS in December 2011.

The Trustee operates a system of internal controls aimed at monitoring the Plan's administration and management and monitors the extent to which the Plan's core financial transactions are processed promptly and accurately through the following framework:

- Reviewing the contribution payment and investment dates relating to each month's contributions to the Plan. This information is detailed within the administration reports produced by Aviva which are reviewed by the Trustee at each of their meetings.
- Reviewing the extent to which Aviva comply with the relevant Service Level Agreement ('SLA') in place for key transactional work items. These expected standards are:

SLA	Description	Target Service Level (%)	Service Level Failure Point (%)	Comment
4	Contribution Processing	100.0	90.0	Subject to the completion of the longest delayed dealing cycle, Aviva shall process regular contributions and allocate to Member policies within two Business Days of receipt of the validated contribution schedule and reconciled payment.
5	Investment Transactions	97.0	85.0	Aviva shall action investment transaction (switches, redirections and single contributions where appropriate) requests from Members or Trustees within three

				Business Days from the date of receipt of complete instructions.
7	Payments Out	97.0	85.0	Subject to the completion of the longest delayed dealing cycle, Aviva shall process payments out within five Business Days of receipt of the completed payment authority form and all required documentation from the authorised party. In respect of payments to Members on retirement, the period of five Business Days referred to in this SLA shall commence from the normal retirement age of the retiring Member.
8	Payments In	97.0	85.0	Subject to the completion of the longest delayed dealing cycle, Aviva shall issue confirmation to Members or Trustee Clients that transferred assets have been allocated as at the date of receipt of both payment and complete documentation within five Business Days of receipt.

This information is also detailed within the quarterly administration reports produced by Aviva which are reviewed by the Trustee at each of their semi-annual meetings.

- The Plan's risk register details all of the risks to Plan members and are monitored and reviewed by the Risk and Audit sub-committee on a semi-annual basis.

- The Trustee has implemented a structured DC governance framework which is aligned to the new DC Code of Practice and the six underlying areas of governance stated in the Code and is reviewed on a semi-annual basis.

- The Schedule of Contributions sets out timescales for the Company to remit monthly contributions to the Plan. However, agreed practice provides for payment of contributions in advance of these timescales. The deduction and payment of contributions is reviewed by the Company.

The Plan Auditor carries out annual spot checks to ensure that contributions are paid in accordance with the Schedule of Contributions.

Mercer also oversees the performance of Aviva through the MWS platform that the Plan is operated through. Mercer would raise any concerns with the Trustee.

Performance was above the service level failure point throughout the year. There have been some minor issues with the service provided by Aviva. Full details of these can be found below.

- **SLA 7:** "Pensions Freedoms" has seen an increase in members taking advantage of the portability and flexibility of their pension savings. Q1 2019 saw a 25% increase in volumes since Q4 2018. Payments out include: transfers out, payment of tax free cash lump sums, UFPLS payments, drawdown payments. While the increase in volume was noted as a cause of the missed SLA targets, this is an area that MWS has raised with Aviva to improve the servicing on as, while the member experience is being managed, there is an identified trend which is to be addressed.

Charges and transactions costs

As required by the Administration Regulations, the Trustee is required to report on the charges and transactions costs for the investments used in the default options, as well as their assessment on the extent to which the charges and costs represent good value for members. The Total Expense Ratios ('TER') and transaction costs for each of the available funds is provided in the tables in this section.

The growth phase of the lifestyle investment strategies is fully invested in the Aviva Pension Mercer Growth / Balanced Risk FP Fund and the cost, or TER, for this fund is 0.48% p.a. The fee in the de-risking phase of the lifestyle investment strategies varies depending on the length of time to retirement, and the lifestyle strategy invested in. The fees for the de-risking phases of the lifestyle strategies, including the default lifestyle investment option, are shown in the table below.

Fund Name ('Do it for me')	TER (% p.a.)	Transaction Costs (% p.a.)
Mercer Target Annuity 2020 Retirement Fund	0.41	0.0079*
Mercer Target Annuity 2021 Retirement Fund	0.41	0.0066*
Mercer Target Annuity 2022 Retirement Fund	0.41	0.0311
Mercer Target Annuity 2023 Retirement Fund	0.43	0.0402
Mercer Target Annuity 2024 Retirement Fund	0.44	0.0453
Mercer Target Annuity 2025 Retirement Fund	0.45	0.0479
Mercer Target Annuity 2026 Retirement Fund	0.46	0.0503
Mercer Target Annuity 2027 Retirement Fund	0.48	0.0527
Mercer Target Cash 2020 Retirement Fund	0.38	0.0112*
Mercer Target Cash 2021 Retirement Fund	0.38	0.0086*
Mercer Target Cash 2022 Retirement Fund	0.39	0.0317
Mercer Target Cash 2023 Retirement Fund	0.41	0.0391
Mercer Target Cash 2024 Retirement Fund	0.42	0.0439
Mercer Target Cash 2025 Retirement Fund	0.44	0.0467
Mercer Target Cash 2026 Retirement Fund	0.45	0.0496
Mercer Target Cash 2027 Retirement Fund	0.47	0.0524
Mercer Target Drawdown 2020 Retirement Fund	0.53	0.0250*
Mercer Target Drawdown 2021 Retirement Fund	0.53	0.0229*
Mercer Target Drawdown 2022 Retirement Fund	0.54	0.0458
Mercer Target Drawdown 2023 Retirement Fund	0.54	0.0526
Mercer Target Drawdown 2024 Retirement Fund	0.53	0.0550
Mercer Target Drawdown 2025 Retirement Fund	0.52	0.0546
Mercer Target Drawdown 2026 Retirement Fund	0.51	0.0542
Mercer Target Drawdown 2027 Retirement Fund	0.49	0.0538

Source: Aviva, funds in bold are part of the default investment option.

* A proportion of transaction costs for underlying funds were unavailable at the time of writing.

The Trustee has also made available four risk-rated fund options. The table below provides information on the fees for these funds.

Fund Name ('Help me do it')	TER (% p.a.)	Transaction Costs (% p.a.)
Aviva Pension Mercer Defensive / Lower Risk FP	0.44	0.0281
Aviva Pension Mercer Moderate Growth / Moderate Risk FP	0.49	0.0490
Aviva Pension Mercer Growth / Balanced Risk FP	0.48	0.0536
Aviva Pension Mercer High Growth / Higher Risk FP	0.49	0.0344

Source: Aviva, funds in bold are part of the default investment option.

As well as the above funds, a number of additional funds are made available to members. The following table provides information on the fees for self-select investment options, known as the 'Leave me to it' funds:

Fund Name ('Leave me to it')	TER (% p.a.)	Transaction Costs (% p.a.)
Aviva Pension Mercer Diversified Retirement FP	0.50	0.0299
Aviva Pension Mercer Cash Retirement FP	0.36	0.0116
Aviva Pension Mercer Inflation-Linked Pre-Retirement FP	0.35	0.0248
Aviva Pension Mercer Annuity Retirement FP	0.39	0.0080
Aviva Pension Mercer Active Emerging Markets Equity FP	1.19	0.3674
Aviva Pension Stewardship FP	0.40	0.0257
Aviva Pension MFS Meridian Global Equity FP	1.09	0.0344*
Aviva Pension M&G All Stocks Corporate Bonds FP	0.64	-**
Aviva Pension M&G Feeder of Property FP	1.19	0.0759
Aviva Pension BlackRock Institutional Sterling Liquidity FP	0.28	0.0116

Source: Aviva
* Slippage cost methodology not utilised by the manager.
**Transaction costs were unavailable at the time of writing.

All fees shown above are as at 31 October 2019, and have been sourced from Aviva. The TER includes the fees charged by the underlying manager, additional manager expenses, the platform and administrative charges from Aviva and the investment governance charge from MWS. Note that manager expenses are a function of the size of the fund and will change over time. The charges on the default lifestyle complies with the charge cap legislation requirements.

There is a platform charge of 0.34% p.a. applied to all of these funds, with the exception of the Aviva Pension BlackRock Institutional Sterling Liquidity FP Fund, which has a platform charge of 0.28% p.a.

The Trustee has also previously made available to members With-Profits Funds with Equitable Life, Legal & General and Scottish Mutual (now managed by Phoenix Life). The above noted providers do not explicitly set out the charges deducted for the running of the funds, and these charges will vary, given the nature and structure of the funds.

The Scottish Mutual With-Profits Fund option was closed to increases in contributions from existing members from August 2014, but members who have previously invested in the fund can continue to make existing investments at the same monetary contribution level. Members who have previously invested in the Legal & General With-Profits Funds can continue to make existing, as well as additional, contributions.

Following the end of the calendar year, on 1 January 2020, holdings in the With-Profits Fund at Equitable Life were transferred to Utmost Life and Pensions. Upon moving, members received an uplift to their benefits; this was compensation for the removal of the guarantees associated with the With-Profits Fund. Member's holdings were invested into the Secure Cash Fund at Utmost Life and Pensions. The Trustee is currently receiving advice regarding moving members from Utmost Life and Pensions into the main DC arrangement.

The Trustee, with support from their advisers, Mercer, undertook a full value for money assessment in February 2020. The Trustee concluded that the Plan's overall benefits and options represent good value for money in comparison to the costs payable by members.

The reasons underpinning this conclusion include:

- Charges for the Plan's default lifestyle are significantly below the charge cap of 0.75% per annum;

- Charges on all funds have been assessed by Mercer as comparing favourably with those of peer funds;

- The funds used by the Plan are highly rated by Mercer as having good prospects of achieving their risk and return objectives; and,

- The performance of the Plan's funds over the 5 years (to 31 October 2019) compare favourably relative to the benchmark set by the Trustee with the exception of the Aviva Pension Mercer Active Emerging Markets Equity FP Fund and the Aviva Pension M&G Feeder of Property FP Fund. The Trustee will continue to monitor all funds, with a focus on any with particular performance concerns.

Additionally, the Company pays for all advisory costs associated with operating the Plan, which further enhances the value that members receive.

In relation to transaction costs, we note that when buying and selling investments, transaction costs can be incurred. Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, and the lower the returns produced by a fund). The Financial Conduct Authority has provided guidance (in Policy Statement 17/20) to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs are required to be calculated, the slippage cost methodology, transaction costs can be negative or positive in nature. A negative cost figure is effectively a gain (on average) from trading activity, whilst a positive figure is effectively a cost from trading activity. Aviva have provided this information, where possible, which is included in the table on the previous pages.

The Trustee has approached the With-Profits Funds providers for details of the costs and charges for these arrangements. Payouts on surrender and maturity of these policies will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of ‘smoothing’.

The Trustee has sought to quantify the transaction costs associated with the holdings in these funds by requesting the information from these providers in line with the prescribed transaction cost disclosure methodology. The With-Profits managers were not able to provide complete information to satisfy these requirements. The Trustee will continue to request this information and will report on these once this information is reliably obtainable from the managers.

Reporting of Costs and Charges

In accordance with the Administration Regulations, the Trustee has included the costs and charges for the Plan year together with an illustration (provided by Aviva) detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

The costs and charges are included in the table on the previous pages, and the illustrations can be found on the following page.

The illustrations on the next page which have been produced by Aviva have taken into account the following elements:

- Savings pot size;
- Contributions;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

The Trustee has used the following assumptions for these calculations:

1. A starting pot size of £0 and monthly contributions of £100, increasing in line with assumed earnings inflation of 2.5% each year.
2. The figures illustrate the pension pot value in ‘today’s money’ which means that they take inflation into account by discounting values at 2.5% a year. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in ‘today’s money’.
3. Transaction costs may not have been included where data was not available from the fund managers.

The funds chosen for these illustrations are ones which are the most commonly used, the funds with the highest / lowest growth rates and the highest / lowest charges.

Illustration of effect of cost and charges for typical funds within your scheme – Avery Dennison Pension Plan

	Av Mercer Growth / Balanced Risk-FPMMIP3P		Av Mercer High Growth / Higher Risk-FPMMIP4P		Av Mercer Cash Retirement-FPMECARP		Av BlackRock Institutional Sterling Liquidity-FPBGIC_P		Av MFS Meridian Global Equity-FPMFSGEP		Av Mercer Active Emerging Markets Equity-FPMAEMEP	
	Assumed growth rate 4.6%		Assumed growth rate 4.7%		Assumed growth rate 1.5%		Assumed growth rate 1.5%		Assumed growth rate 5%		Assumed growth rate 5%	
	Assumed costs and charges 0.49%		Assumed costs and charges 0.54%		Assumed costs and charges 0.36%		Assumed costs and charges 0.29%		Assumed costs and charges 1.1%		Assumed costs and charges 1.5%	
At end of year	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken
1	£1,200	£1,200	£1,200	£1,200	£1,180	£1,180	£1,180	£1,180	£1,200	£1,200	£1,200	£1,190
2	£2,420	£2,410	£2,430	£2,410	£2,350	£2,340	£2,350	£2,340	£2,430	£2,410	£2,430	£2,400
3	£3,670	£3,650	£3,680	£3,650	£3,510	£3,490	£3,510	£3,490	£3,700	£3,630	£3,700	£3,610
4	£4,950	£4,900	£4,960	£4,900	£4,650	£4,620	£4,650	£4,620	£4,990	£4,880	£4,990	£4,840
5	£6,250	£6,170	£6,260	£6,180	£5,790	£5,730	£5,790	£5,740	£6,310	£6,130	£6,310	£6,070
10	£13,200	£12,800	£13,200	£12,900	£11,300	£11,100	£11,300	£11,100	£13,400	£12,700	£13,400	£12,400
15	£20,800	£20,000	£21,000	£20,100	£16,500	£16,100	£16,500	£16,200	£21,500	£19,700	£21,500	£19,100
20	£29,300	£27,800	£29,600	£27,900	£21,500	£20,800	£21,500	£20,900	£30,500	£27,100	£30,500	£26,000
25	£38,700	£36,200	£39,200	£36,400	£26,300	£25,200	£26,300	£25,400	£40,700	£35,100	£40,700	£33,300
30	£49,000	£45,300	£49,800	£45,600	£30,800	£29,300	£30,800	£29,600	£52,300	£43,600	£52,300	£41,000
35	£60,500	£55,100	£61,700	£55,500	£35,100	£33,100	£35,100	£33,500	£65,300	£52,700	£65,300	£48,900
40	£73,200	£65,700	£74,800	£66,300	£39,200	£36,700	£39,200	£37,200	£79,900	£62,400	£79,900	£57,300
45	£87,300	£77,100	£89,500	£77,900	£43,200	£40,000	£43,200	£40,600	£96,500	£72,800	£96,500	£66,100
50	£103,000	£89,400	£106,000	£90,500	£46,900	£43,200	£46,900	£43,900	£115,000	£83,800	£115,000	£75,200

Trustee knowledge and understanding

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding that, together with professional advice available to them, enables them to properly exercise their functions and duties in relation to the Plan. This requirement has been met during the course of the Plan year and the Trustee has undertaken regular training throughout the year.

The Trustee has put in place arrangements for ensuring that they take responsibility for keeping up to date with relevant developments and consider their training requirements. The Trustee conducts an annual review of the Trustee training needs through focused analysis and individual Trustee questionnaires. Training for the Trustees is provided regularly during meetings from the Plan's pension consultants (Mercer) and a dedicated training day (or half day) is provided annually. The Trustee assesses any training gaps, agrees a training plan during their regular meetings and records of Trustee training are maintained.

The Trustee receives professional advice from their advisers to support them in reviewing the performance of the Plan and in governing the Plan in line with the Trust Deed and Rules. The Trustees consider the relevant skills and experience of those advisors and consider these to be key criteria when evaluating advisor performance and selecting new advisors. Additionally, the following measures have applied during the period:

- Mercer attend the Trustee's formal meetings.
- The Trustee Directors have wide ranging skills and experience, including pension experience. The Trustee receives briefings from their advisors on all legislative and regulatory developments at each meeting.

The Trustee Directors are conversant with, and have a working knowledge of, the Trust Deed and Rules. If there are any ambiguities over the interpretation of the Rules, legal advice is sought.

The Trustee Directors are conversant with, and have a working knowledge of, the current SIP. The Trustee undertakes regular training on investment matters and reviews the investments held by the Plan at each meeting. The Trustee has sufficient knowledge of investment matters to be able to challenge their advisors.

The proposed changes to the investment arrangements as a result of the default strategy review demonstrated the Trustee's knowledge and understanding across investments, pensions law and the Plan's governing documents. As part of these changes the Trustees were required to:

- Review the current investment arrangement in the context of both the Plan and new investment solutions for defined contribution plans.
- Agree changes to the default option, which necessitated consideration of the investment powers in the Plan's Trust Deed and Rules and also the SIP.

Further to the above the Trustee has undertaken a number of other activities which demonstrate requirements have been met during the course of the Plan year as follows:

- All Trustee Directors have completed The Pensions Regulator's toolkit.
    - The Plan's requirement is for new Trustee Directors to complete this within 12 months of their appointment.

- The Trustee has undertaken ongoing training, both as a group and individually to keep abreast of relevant developments;
    - The Trustee Directors undertook training in respect of the legislative requirements for the Chair’s Statement including the reporting of costs and charges during their training day on 8 July 2019.
    - The Trustee Directors received training on Environmental, Social and Governance (ESG) considerations during their training day on 8 July 2019. The training covered the fundamentals of ESG along with the approach their investment advisors (Mercer and SEI) took to ESG.
    - Refresher training on the DC Code was provided to the Trustee Directors by Mercer during the 8 July 2019 training day and this included reviewing each of the sections in detail along with the risk status and actions taking to reduce the risk.
    - A training session on current and future considerations of DC governance requirements was provided during the 8 July 2019 training day. This covered the Regulator’s expectations, any new considerations along with any upcoming actions that the Trustee Directors would need to consider to be compliant.

      During the year the Trustee Directors also received training on GMP equalisation with a training session being presented during the 19 March 2019 meeting.

- The Trustee has received training on the new DC Code (September 2017) and has implemented a structured governance framework which is reviewed semi-annually at Trustee meetings.

- The Trustee has regularly reviewed their training needs with the most recent review undertaken at the March 2019 meeting. The Trustee Directors are in the process of reviewing their current Trustee Knowledge and Understanding questionnaire to ensure it is updated in line with the topics they should be considering. It is their intention to carry out a Trustee Knowledge and Understanding analysis by the end of 2020 to allow them to identify training needs.

The Risk Register is reviewed and updated regularly. This demonstrates that the Trustee holds relevant knowledge on DC specific internal controls and the regulatory requirements. The Trustee also reviews and assesses, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator’s Code of Practice 13. The next full review is scheduled for March 2020.

As a result of the training activities which have been completed by the Trustee, and taking into account the professional advice available to the Trustee, the Trustee Directors are confident that the combined knowledge and understanding of the Board enables it to exercise properly its function as the Trustee to the Plan.

I confirm that the above statement has been produced by the Trustee to the best of our knowledge.

Signature: R Gilmore

Name: Ron Gilmore

Chair of Trustee of the Avery Dennison Pension Plan

Date: 20 March 2020