Committed
to a
Better
World for
120 Years
Be a GREAT company for our stakeholders through an unwavering belief that “People Build Businesses” by doing the right thing.

Values
Integrity • Respect • Service • Teamwork • Accountability

Principles

We are dedicated to building a resilient, adaptive, innovative company, which will serve generations to come

We will treat people the way we hope to be treated

We believe actions speak louder than words

We encourage intellectual curiosity as a catalyst for innovation and growth

We win by hard work, teamwork and persistence

We value individual perspectives

We recognize measured risk taking as part of ensuring our long term viability

We strive to continuously improve and grow

Promises

Teammates
We will create caring, safe and fulfilling work environments

Customers
We will stand by our sustainability commitments and our products

Shareholders
We will protect their investment and provide for them a reasonable return

Suppliers
We will base our relationships on fairness and performance

Governments
We will observe all laws and regulations

Communities
We will be good neighbors
Statement of Intent: Become the acknowledged packaging industry leader in creating and enhancing a sustainable future that benefits all of Sonoco’s stakeholders through improvement of economic performance, social responsibility and environmental stewardship.

Principles of corporate responsibility and sustainable development

- Customer commitment
- Governance and integrity
- Financial performance
- Strategic leadership
- Environmental responsibility
- Employee health, safety and development
- Stakeholder engagement and communication
- Community support and philanthropy

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About this report

Sonoco has used the Global Reporting Initiative (GRI) G4 Guidelines to define the content of our 2018-19 Corporate Responsibility Report. These guidelines form a voluntary framework of principles and indicators used to measure and report economic, environmental and social performance of the Company. They also provide a standard of comparison among Sonoco and our peers. We have performed a quantitative, stakeholder-driven assessment to identify and prioritize the sustainability issues that impact Sonoco and its stakeholders. This report reflects our assessment and the progress we have made in meeting our stakeholder commitments. We have carefully considered Company data and projects from 2018 and 2019 and how those projects affect our customers, stakeholders, employees, suppliers and the communities we serve.
Founded in 1899, Sonoco is a global provider of a variety of consumer packaging, industrial products, protective packaging and displays and packaging supply chain services. With annualized net sales of approximately $5.4 billion, the Company has close to 23,000 employees working in more than 300 operations in 36 countries, serving many of the world’s best-known brands in some 85 nations.

Consumer Packaging

**Products and Services**
Round and shaped rigid paperboard containers, fiber and plastic caulk/adhesive tubes; aluminum, steel and peelable membrane easy-open closures for composite and metal cans; thermoformed plastic cups, trays and bowls; injection-molded containers, high-barrier films, lidding films, modified atmosphere packaging, printed flexible packaging, rotogravure cylinder engraving, global brand management, labels

**Markets**
Fresh and natural food, stacked chips, snacks and nuts, coffee, hard-baked goods, processed foods, confection, powdered beverages, pet treats, frozen and refrigerated food, dairy, adhesives and sealants

Display and Packaging

**Products and Services**
Point-of-purchase displays, retail packaging, including blister packaging; custom packaging; fulfillment, primary package filling, supply chain management; paperboard specialties

**Markets**
Electronics, snacks and nuts, home and garden, pet treats, medical/pharmaceutical, confection, personal care, food, cosmetics and fragrances, office supplies, toys
Sonoco is committed to creating sustainable products, services and programs for our customers, employees and communities that support our corporate purpose of Better Packaging. Better Life. The Company ranked first in the Packaging sector on Fortune’s World’s Most Admired Companies for 2019 as well as Barron’s 100 Most Sustainable Companies.

### Paper and Industrial Converted Products

#### Products and Services
Recycled paperboard, chipboard, tubeboard, lightweight corestock, boxboard, linerboard, edgeboard, corrugating medium, specialty paper grades; paperboard tubes, cores and cones; adhesives, molded plugs, reels; flexible intermediate bulk containers and bulk bags; collection, processing and recycling of old corrugated containers, paper, plastics, metal, glass and other recyclable materials

#### Markets
Converted paperboard, construction, home goods, recycling, plastic, films, paper mills, shipping and storage, tape and label, textiles, wire and cable, adhesives

### Protective Solutions

#### Products and Services
Custom-engineered, paperboard-based and expanded foam protective packaging and components; temperature-assured packaging solutions

#### Markets
Appliances and electronics, automotive, frozen and refrigerated foods, medical/pharmaceutical, home goods, office furnishings, promotional and palletized distribution, fitness equipment, HVAC
THE SHIFTING CONSUMER AND INDUSTRIAL LANDSCAPE, DRIVEN BY VARIOUS FORMS OF DISRUPTION, BOTH TECHNOLOGICAL AND SOCIETAL, is sharpening our focus to better understand consumer trends, better understand the needs of our customers, and better leverage our capabilities to address issues involving sustainability.

BETTER PACKAGING. BETTER LIFE. OUR PURPOSE DRIVES OUR COMMITMENT TO A MORE SUSTAINABLE WORLD

Sonoco is committed to creating sustainable products, services and programs for our customers, employees and the communities that support our corporate purpose of Better Packaging. Better Life. There has been a steady rise in global social consciousness related to the environment, and while much of the focus has been on packaging, specifically plastics, a major element being left out of the discussion is food waste.

Here are some facts to consider, from recent research by Barclays

- Food waste is one of the largest drivers of climate change, accounting for 8% of global greenhouse gas emissions (giving it the third largest carbon footprint behind only China and the U.S.)
- Globally, 1.3 billion tons of food is wasted annually or about one-third of all food produced for human consumption
- Food waste represents around $1 trillion annually and could hit $1.5 trillion by 2030

We believe sustainable packaging provides a key resource in helping achieve the UN’s Sustainable Development Goal 12.3, which is targeting to halve food waste by 2030, by offering superior food protection and extending shelf-life. Sonoco is collaborating with Clemson University, for our Sonoco FRESH (Food Research Excellence for Safety and Health) initiative, working to solve the food waste challenge by utilizing the collective intellectual capital and collaboration of industry experts and thought leaders in food service, agriculture, horticulture, packaging, logistics and material science.

Earlier this year, Dustin Wills was named Director of the Sonoco FRESH initiative, which is housed in Clemson’s Sonoco Institute of Packaging Design and Graphics. Wills brings a wealth of packaging experience to the university and is passionate about our collective goal of reducing food waste. On page 7 of this report, Wills addresses in more detail the future of the Sonoco FRESH initiative.

“TO WHOM MUCH IS GIVEN, MUCH IS EXPECTED.”

Solving the food waste issue will also be a significant topic of discussion at our 2019 Sustainability and Food Waste Summit – FRESH Thinking for the Future of Packaging and Food, being held September 17-18, 2019, at our corporate headquarters in Hartsville, S.C. This unique learning opportunity and idea exchange includes a line up of thought leaders, like our keynote Paul Hawken, an interactive tour that follows the life of a plastic bottle, farm-to-fork dining experiences, and other knowledgeable speakers.
OUR COMMITMENTS FOR MORE SUSTAINABLE USE OF PLASTIC PACKAGING AND IMPROVED RECYCLING

While we hope to be able to shine a spotlight on solving the food waste crisis, we cannot ignore the bright light being focused on concerns about plastic packaging. But again, solving this issue will require a collaborative approach by key stakeholders, including policy makers, consumers, the industry and communities.

Sonoco is one of the largest recyclers in the U.S., annually collecting about 2.8 million tons of materials that can be processed into raw materials to make new sustainable packaging. Our 23 paper mills around the world produce more than 2 million tons of 100% recycled paperboard with 85% or more post-consumer fiber. Approximately 1 in 5 PET bottles collected in California are used by Sonoco to manufacture clamshells for fresh produce.

Unfortunately, there are tremendous gaps in recycling infrastructure around the world, and there are inconsistent policies that confuse consumers as to what can be recycled. According to the Grocery Manufacturers Association, only 26% of Americans believe the way we recycle now makes sense. For instance, while certain packaging may technically be recyclable, it may not be suitable for community collection programs, or there may not be available markets for these collected materials.

To be successful in developing a better circular economy where products are collected and converted into new raw materials, we are working with policy makers and communities to develop new recycling schemes, while better educating consumers on how and what to recycle.

To better deal with these challenges, Sonoco has developed sustainability commitments we believe we can achieve by 2025 by maximizing our infrastructure

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Our 2025 Sustainability Commitments in Packaging

**We will increase the equivalent, by weight, the amount we recycle or cause to be recycled from 65% to 85% relative to the volume of product we put into the global marketplace.**

**We will ensure all of our production facilities utilizing plastic pellets have systems to prevent environmental discharges.**

**We will not utilize resin additives that purport to degrade in landfills or waterways by simply breaking up into smaller pieces.**

**We are committed to increasing the use of post-consumer recycled resins in our plastic packaging from 19% to 25%**
in meeting realistic outcomes. Furthermore, we are committed to being transparent in discussing all sides of our sustainability products and practices.

In summary, we have pledged to achieve more sustainable use and increased recyclability of our packaging. Our plastic packaging operations support several other sustainability initiatives, including light-weighting, design optimization, bio-based plastics that are recycling-friendly, along with compostable materials. In addition, utilizing our recycling capabilities, we are working to collect up to 200 million pounds annually of PET bottles, sending them for processing and using this recycled raw material to produce clear, strong and lightweight containers for our fresh food packaging operations.

COMMITTED TO DIVERSITY AND UNITY IN THE WORKPLACE
Sonoco is committed to advancing diversity and inclusion in our workplace.

We have formed the Diversity and Unity Council, led by a diverse team of global leaders, working through five Business Resource Groups aimed at driving improved workplace and community actions.

To further drive our discussion around diversity and unity, we conducted a day-long summit with approximately 200 employees from around the world to share experiences, ideas and drive best practices. Furthermore, earlier this year, I joined hundreds of other CEOs in signing a pledge with the CEO Action for Diversity & Inclusion™, committing that Sonoco will work to advance diversity and inclusion throughout the company. You can read more about our Diversity & Unity Council actions on page 15 of this report.

In closing, Sonoco is celebrating our 120th anniversary this year, which truly demonstrates the sustainability of our company through our guiding principle that “People Build Businesses” by doing the right thing. If you share these values, reach out to learn more about how we can support a shared vision of sustainability by contacting us at sonoco.sustainability@sonoco.com.

Rob Tiede
President and CEO
WORK IS WELL UNDERWAY ON THE DEVELOPMENT OF A DEDICATED FRESH LAB IN THE SONOCO INSTITUTE. The lab should be finished in the fourth quarter of 2019 and will be at the center of the 10th anniversary of the Sonoco Institute for Packaging Design and Graphics at Clemson.

The research arm of the FRESH initiative is also actively working to examine opportunities for development of new world applications that extend the shelf life of various fresh foods. The Clemson research community is energized by the opportunity Sonoco FRESH brings and the ability to explore game changing technologies and applications.

Sonoco FRESH is also working closely with Clemson’s Behavioral, Social and Health Sciences (BSHS) program to attract investment and identify a research fellow who will collect all available data around food insecurity issues. We are also working with BSHS to create various programs to address and support these issues to increase the availability of, and the public’s access to, fresh, healthy foods across South Carolina.

Finally, Sonoco FRESH is a proud sponsor of the 2019 Game Day Recycling Challenge, which will take place during the Clemson vs. Texas A&M football game on September 2, 2019. Sonoco FRESH will also host a Food Waste Recovery operation during the match-up as a pilot for a possible permanent installation during gamedays.

Dustin Wills  
Director, Sonoco FRESH

Harvesting Technology Offers Unique Solutions

The use of robotic harvesting technology, combined with the right packaging, offers a unique solution to help alleviate labor shortages and create more cost effective in-field harvesting. Sonoco is developing packaging that will support a fully automatic, fully autonomous harvester that can pick eight acres of strawberries in a single day.

This partnership with Harvest CROO solidly aligns with our focus on improving the supply chain for fresh produce by connecting harvesting technology with new packaging technology. Without Harvest CROO, entire fields could go to waste. These new, automated processes ensure fresh fruit travels as short of a distance as possible. Harvest CROO’s automated solution reduces food waste by introducing a sorting station with the ability to distinguish between berries for retail and those for processing, eliminating berries being dropped to the ground and wasted. And, strawberries picked and packed with automated harvesters have longer shelf lives, because automated harvesters have the ability to pick at times when temperatures are lower.
Sonoco was named the top sustainable company in South Carolina, our home state, by Shorr Packaging, as judged by sustainable practices drawn from four key industry studies: Newsweek's Top 500 Global Companies rankings, Barron's "100 Most Sustainable U.S. Companies" list, Corporate Knights’ “2019 Global 100” ranking and Rubicon’s "Top Sustainable Small Businesses in Each State" list.

Sonoco Top Sustainable Company in South Carolina

Sonoco was named the top sustainable company in South Carolina, our home state, by Shorr Packaging, as judged by sustainable practices drawn from four key industry studies: Newsweek’s Top 500 Global Companies rankings, Barron’s “100 Most Sustainable U.S. Companies” list, Corporate Knights’ “2019 Global 100” ranking and Rubicon’s “Top Sustainable Small Businesses in Each State” list.

Sonoco to Host Sustainability and Food Waste Summit

AT SONOCO, WE BELIEVE WISE USE OF SUSTAINABLE PACKAGING can play a significant role in reducing food waste and the related impact on climate change, water and land use. These will be the primary topics of discussion at our 2019 Sustainability and Food Waste Summit – FRESH Thinking for the Future of Packaging and Food, being held September 17-18. We have a critical role to play in addressing food waste, access to food and the sustainability issues and commitments that are topics of discussions around the world. In the U.S. alone, 31% of the food that reaches retailers and consumers is wasted. And up to 40% of food in the U.S. is never eaten. But at the same time, one in eight Americans struggles to put enough food on the table.

The Summit will include a keynote from Paul Hawken, a globally known environmentalist, entrepreneur, journalist and author. His most recent book, Drawdown – The Most Comprehensive Plan Ever Proposed to Reverse Global Warming, explores 100 solutions to combat global warming.

It is going to take a conscious, collective effort to develop holistic solutions for each of these issues. Opportunities like this can be a catalyst for uncovering innovation and driving positive change in the areas of sustainability and food waste.

Our work with customers across a wide range of markets and geographies has given us a wealth of intellectual capital to draw from as we help develop innovative, more sustainable, packaging solutions.
Sonoco Continues Investment in Sustainable Products, Businesses

Sonoco’s innovations around sustainability are not limited to our consumer business. Our latest industrial innovation is EcoSPAN™ core, the first fully repulpable core for the Spandex industry.

Cascades Sonoco completed a $17 million investment that enables the facility to produce a water-based functional coating solution to create recyclable, repulpable and compostable containers using the FlexSHIELD™, FluteSHIELD™ and SurfSHIELD™ water-based coating technologies, designed to replace non-compostable applications traditionally used in the design of folding carton takeout containers.

With natural and organic food sales on the rise, Sonoco has developed new packaging substrates to help premium food brands better market their products. Among our most recent packaging innovation is EcoTect®, an uncoated recycled board, made from 100% recycled fibers, that offers key features to help natural and organic products stand out from competing brands.

Sustainable Consumer Packaging Solutions

Lightweight flexible pouches have the smallest package-to-product ratio of any form of packaging. And, because they are lightweight, they can significantly reduce environmental impacts all along the value and logistics chain.

SmartSeal® Easy Open and Re-Close Systems use a patented, precision-scored easy-open and re-close feature for added convenience and preservation of product quality.

The can body is made from 100% recycled paper and may include the more sustainable EcoSeal™ paper bottoms and paper membrane easy-open features.
At each of our facilities, we work to reduce energy consumption, greenhouse gases, hazardous air emissions and water usage, and we partner with our customers to help them reduce the environmental impact of their packaging.

Londrina Converts Sludge to Fertilizer for Area Businesses

SONOCO’S LONDrina, BRAZIL, PAPER FACILITY PRODUCES about 80 tons of sludge from wastewater treatment and 22 tons of ash from burning wood in its biomass boiler each month. Both are nutrient-rich materials that can be sent for composting, a more sustainable and lower-cost way to handle the materials. Until May 2019, this material was sent to an industrial landfill.

Today, the sludge and ash are taken to a local composting facility. There, they are mixed together, and earthworms are introduced to the mix, which help convert the organic residue into humus. When the process is complete, the material is blended with other ingredients like sand and charcoal and placed in a sieve to remove coarse solids. Then, the substrate is ready to be packed and shipped to gardening supply stores in the region. In addition, the facility mixes the substrate with the earthworms, which are sold to area fishermen.

Key Environmental Metrics

<table>
<thead>
<tr>
<th>Key Metrics</th>
<th>Units</th>
<th>% Change vs. Prior Year</th>
<th>Total 2018</th>
<th>Total 2017</th>
<th>% Change vs. Prior Year</th>
<th>Normalized by Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Usage</td>
<td>MMBtu</td>
<td>0.92%</td>
<td>17,859,867</td>
<td>17,697,304</td>
<td>-5.71%</td>
<td>3.3100 3.5100</td>
</tr>
<tr>
<td>Greenhouse Gas Emissions</td>
<td>mtons CO2 eq.</td>
<td>3.57%</td>
<td>1,172,818</td>
<td>1,132,408</td>
<td>-3.24%</td>
<td>0.2176 0.2248</td>
</tr>
<tr>
<td>Direct Emissions (Scope 1)</td>
<td>mton CO2 eq.</td>
<td>0.52%</td>
<td>548,927</td>
<td>546,071</td>
<td>-6.08%</td>
<td>0.1018 0.1084</td>
</tr>
<tr>
<td>Indirect Emissions (Scope 2)</td>
<td>mton CO2 eq.</td>
<td>6.40%</td>
<td>623,891</td>
<td>586,337</td>
<td>-0.59%</td>
<td>0.1157 0.1164</td>
</tr>
<tr>
<td>Landfill Disposed</td>
<td>mtons</td>
<td>12.03%</td>
<td>210,031</td>
<td>187,485</td>
<td>4.66%</td>
<td>0.0390 0.0372</td>
</tr>
<tr>
<td>Water Usage</td>
<td>m³</td>
<td>5.21%</td>
<td>21,168,509</td>
<td>20,120,082</td>
<td>-1.70%</td>
<td>3.9267 3.9947</td>
</tr>
<tr>
<td>Shipped Production</td>
<td>mtons</td>
<td>9.75%</td>
<td>5,100,119</td>
<td>4,647,202</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$000 USD</td>
<td>7.03%</td>
<td>5,390,938</td>
<td>5,036,650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>Each</td>
<td>9.5%</td>
<td>23,000</td>
<td>21,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historical data referenced in this chart has been retrospectively revised to reflect changes in business structure (acquisitions and divestitures), and improvements in data collection, and so may differ from previously published reports. In addition to showing total usage of energy consumption, total greenhouse gas emissions (Scope 1 and Scope 2), total water usage and total landfill disposal, we compare these key environmental data points utilizing a revenue-based model to establish a normalized benchmark of measure across our diverse business mix to provide a more accurate comparison.
Greenhouse Gas Emissions
Sonoco’s normalized total GHG emissions declined approximately 3.2% in 2018, driven by a 5.7% reduction in normalized energy usage throughout the Company’s global operations. Direct CO2 emissions declined approximately 6.1% in 2018, as we shut down an aging coal-fired, flexible-fuel boiler system at our Hartsville Manufacturing Complex in favor of steam and power generated from our biomass- and natural gas-fueled boiler systems.

Water Usage
While we use some water at all of our more than 300 operating locations globally, the bulk of the process water we consume is at our 23 uncoated recycled paperboard mills in the U.S., Canada, Mexico, Colombia, Brazil, U.K., Finland, Germany, Italy, Spain, Indonesia and China. In 2018, normalized water usage declined 1.7% to continue a three-year reduction trend. We are focused on developing comprehensive water management plans at our global papermaking facilities, resulting in projects to further reduce water usage. One such project will be the installation of a new heat exchanger at our Hartsville Manufacturing Complex, which will replace an older, inefficient cooling system, with monthly water consumption estimated to be reduced by 7.6 million gallons. Even smaller efficiency projects can result in large water savings. For instance, 20 water-cooled air compressors at the Hartsville complex are expected to be replaced in 2019 with more efficient air-cooled models, saving about 10 gallons per minute or about 10 million gallons per year.

Landfill Disposal
Efforts in reducing GHG emission from our Hartsville complex unfortunately resulted in higher waste disposal following the closure of the flex-fuel boiler system. The old, inefficient boiler system had burned pulper rejects, waste materials consisting of plastics, fiber, metal and other contaminants extracted from the recycled fiber pulping process. While some materials, such as steel wire, are extracted to be recycled, much of the reject material cannot be recycled or used as fuel and is instead disposed of in the company’s non-hazardous licensed landfill. We continue to review technology changes that could allow us to use more of these waste materials. For instance, at our Trent Valley mill in Trenton, Ontario, Canada, about 8,000 tons of pulp fines are composted and utilized for land reclamation.
Sonoco Achieves Corporate Sustainability Rating

**Sonoco has achieved EcoVadis Silver recognition** and has ranked in the 90th percentile of EcoVadis users. Sonoco performed especially well in two areas—environment and sustainable procurement. EcoVadis described Sonoco’s environmental policy as “exceptional” and also pointed out the number of industry groups we work with on important environmental metrics. Sonoco’s supplier code of conduct, covering both environmental and social factors, was also praised along with Sonoco’s fiber sourcing policy.

Founded in 2007, EcoVadis provides evidence-based sustainability assessments for companies within global supply chains, rating each business across 21 important environmental, social and ethical performance criteria. EcoVadis’ rating focuses on issues material to a specific sector, geography and size, all taken into account in the rating, with each being measurable. More than 55,000 companies have been rated across 198 purchasing categories and 150 countries on the EcoVadis network.

**Sonoco joins Operation Clean Sweep**

**IN 2018, SONOCO IMPLEMENTED OPERATION CLEAN SWEET (OCS), an international campaign dedicated to eliminating resin loss within the supply chain.** The campaign’s goal is to help every plastic resin handling operation implement good housekeeping and pellet, flake, and powder containment practices to work towards achieving zero pellet, flake, and powder loss. OCS is being conducted in thousands of plants around the world, all adding to efforts to protect the environment.

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SONOCO Recognizes Our Responsibility to address the challenges of global climate change. We are committed to measuring and reporting our greenhouse gas (GHG) emissions, energy and water consumption and waste generation in our operations around the world.

Sonoco’s Approach to Climate Change

We are meeting our responsibility by developing innovative new processes, and by identifying and managing risks and opportunities to our raw materials inputs, operations, employees, suppliers, customers and products.

Memberships and Certifications

- Amazon Packaging Support and Supplier Network (APASS)
- American Forest and Paper Association
- AMERIPEN
- Association of Plastics Recyclers
- Carbon Disclosure Project
- Carolina Recycling Association
- Center for Advance Purchasing Studies
- Confederation of European Paper Industries
- Ecodesk
- EcoVadis
- Environmental Education Association of South Carolina
- EPS Industry Alliance
- Flexible Packaging Association
- Foodservice Packaging Institute
- Forest Stewardship Council® (FSC®)*
- International Safe Transit Association (ISTA)
- Institute of Packaging Professionals (IoPP)
- Institute of Scrap Recycling Industries (ISRI)
- Material Handling Institute (MHI)
- National Association for Information Destruction
- National Association for PET Container Resources
- National Council for Air and Stream Improvement
- National Minority Supplier Development Council
- National Sustainability Coalition
- National Veterans Business Supplier Development Council
- Operation Clean Sweep
- Paper and Packaging Board
- PMMI (The Association for Packaging and Processing Technologies)
- Programme for the Endorsement of Forest Certification (PEFC™)*
- The Recycling Partnership
- SEDEX
- Solid Waste Association of North America
- South Carolina Chamber of Commerce
- South Carolina Manufacturers Alliance
- Southeastern Recycling Coalition
- Southeastern Recycling Development Council
- Sustainable Forestry Initiative® (SFI)*
- Sustainable Purchasing Leadership Council
- Women’s Business Enterprise National Council

*About our Certifications: Sonoco is committed to responsible use of natural resources through responsible sourcing, recycling and use of recycled fiber in our paper-based packaging. Many mills are certified to one or more fiber certification programs. These are: the Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI*) and the Program for the Endorsement of Forest Certification™ (PEFC™) Chain of Custody and Due Diligence System Standards. Additionally, we have plants in our composite can packaging, industrial tubes and cores, and primary packaging carton operations that are certified to these programs and can produce certified packaging. Overall sales (certified and not) by these mills and fiber certified plants is equal to 15% of Sonoco’s revenue.

All but three of our 19 global paperboard mills use 100% recycled fiber in their production. Some amount of responsibly-sourced virgin fiber is needed for select grades of paperboard. The amount of recycled fiber in our composite cans range from 60 to 80+ %, depending on the product specifications for the package. On average, the amount of recycled fiber used in our industrial tubes and cores exceeds 95%.
Our commitment is to ‘enhance corporate citizenship’ in the communities in which Sonoco operates. In 2018, the Sonoco Foundation donated approximately $2.6 million to nonprofit organizations around the world.

### Major Gifts

<table>
<thead>
<tr>
<th>Organization</th>
<th>2018 Gift ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Heart Association</td>
<td>$10,000</td>
</tr>
<tr>
<td>American Red Cross</td>
<td>$50,000</td>
</tr>
<tr>
<td>Black Creek Arts Council</td>
<td>$15,000</td>
</tr>
<tr>
<td>Boy Scouts of America</td>
<td>$5,000</td>
</tr>
<tr>
<td>Christmas In April</td>
<td>$20,000</td>
</tr>
<tr>
<td>Sonoco FRESH/ Clemson University</td>
<td>$347,500</td>
</tr>
<tr>
<td>Coker College</td>
<td>$706,000</td>
</tr>
<tr>
<td>Community Foundation for a Better Hartsville</td>
<td>$30,000</td>
</tr>
<tr>
<td>Darlington County Schools</td>
<td>$21,000</td>
</tr>
<tr>
<td>Edventure Children's Museum</td>
<td>$50,000</td>
</tr>
<tr>
<td>Girl Scouts</td>
<td>$5,000</td>
</tr>
<tr>
<td>Harvest Hope Food Bank</td>
<td>$10,000</td>
</tr>
<tr>
<td>North Eastern Strategic Alliance</td>
<td>$10,000</td>
</tr>
<tr>
<td>Sonoco Scholarships</td>
<td>$80,050</td>
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<tr>
<td>South Carolina Governor’s School for Science and Mathematics Foundation</td>
<td>$87,500</td>
</tr>
<tr>
<td>South Carolina Independent Colleges and Universities, Inc.</td>
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</tr>
<tr>
<td>TEACH Foundation</td>
<td>$475,000</td>
</tr>
<tr>
<td>UNCF</td>
<td>$10,000</td>
</tr>
<tr>
<td>United Way</td>
<td>$110,000</td>
</tr>
<tr>
<td>YMCA</td>
<td>$72,500</td>
</tr>
</tbody>
</table>

### Awards and Accolades

Sonoco Foundation

2018 Cash Contributions

$2,608,920

- **Education**: $1,915,050
- **Social Welfare and Health**: $285,239
- **Cultural and Civic, Other**: $408,631

**Forbes 2019**

America’s Best Large Employers

2019

**Military Times 2019**

Best for Vets: Employer

2018

**Fortune 2019**

World’s Most Admired Companies

2018

In the spring of 2019, Sonoco hosted its first “Signing Day” where 14 Darlington County (S.C.) Institute of Technology students began summer internships in positions from maintenance to graphic design. This program is part of the school district’s Keys to Career initiative, giving students valuable work-based experiences to prepare them for life after high school.
Social Responsibility

Collective action on diversity from the business community matters more than ever. Research shows that diversity increases creativity and innovation, promotes higher quality decisions, and enhances economic growth. Following the Be the One Summit, Sonoco President & CEO Rob Tiede signed the CEO Pledge for Diversity & Inclusion™, joining more than 700 CEOs. This is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. Recognizing that change starts at the executive level, these leading companies and business organizations are leveraging their individual and collective voices to advance diversity and inclusion in the workplace. That includes Sonoco.

Steve Glenn, Director of Operations, Paper Division, North America, was honored with the Executive Eagle Award from the Pulp and Paper Safety Association (PPSA), one of the highest honors in the industry. Described as “among the most visible proponents of developing safety processes,” Glenn was also lauded for his dedication to developing machinery that is safer and more productive.

His dedicated focus has led to significant reductions in recordable incidents and lost-time cases at the facilities under his responsibility.

It was further noted that Glenn is an extraordinary role model for all levels of associates, from senior professionals to developing staff. He was described as “a wise counselor, a standard bearer of integrity and civility,” and is as highly respected as anyone in this business.

Sonoco President and CEO Rob Tiede said, “Steve truly lives Sonoco’s values and exemplifies them through his actions, not just using words describing what it means to be a leader. Actions always speak louder than words and people notice, not just those inside Sonoco, but those in our peer groups as well.”
SONOCO CARES, PART OF SONOCO’S DIVERSITY AND UNITY COUNCIL, logged more than 850 community service hours and swelled to 130 members. Their 2018 volunteer efforts included Christmas gifts for 66 children in need; the Million Steps Challenge, which provided funding for more than 12,000 meals for Rise Against Hunger; serving at the local Soup Kitchen; and walking shelter dogs.

IN 2018, SONOCO CARES PARTNERED WITH WEST HARTSVILLE ELEMENTARY SCHOOL to launch the PAWS (Positive Advocates Working with Students) mentor program to provide positive, professional role models for students, supporting child development in language, cognitive and social skills. Regular interaction with students enables mentors to support development, integrate learning, and as a result, improve student academic and behavioral outcomes. To date, the PAWS program is 35 mentors strong and growing.

Sonoco experienced one of the worst natural disasters to ever impact our operations when Hurricane Florence delivered unprecedented flooding that completely shut down our largest operation in our hometown of Hartsville, S.C. On September 14, the storm dumped 11 inches of rain at Sonoco headquarters and eventually substantial flooding. However, Hurricane Florence was no match for the determination of Sonoco associates and contractors, who worked around the clock to bring operations back online weeks ahead of schedule.
Sonoco Human Rights Policy Statement

Ethical business conduct
This Human Rights Policy Statement reflects the Company’s broader commitment to ethical business practices, which is embodied in Sonoco’s Setting the Standard – Policies on Business Conduct. These guidelines serve as the cornerstone of the Company’s business ethics and compliance program and require Sonoco’s Board of Directors, officers and employees to conduct business fairly, honestly and in compliance with all applicable laws, rules and regulations, including those protecting Human Rights. The Company has appropriate mechanisms in place to internally monitor compliance with these guidelines and facilitate reporting of possible violations.

Protection of the rights of workers
Sonoco is an Equal Opportunity Employer committed to providing its employees with a safe, non-discriminatory work environment that promotes open and honest communication and embraces dignity, respect and diversity in all aspects of its business operations. Sonoco further supports the elimination of all forms of forced, bonded or compulsory labor and the freedom of association. We believe that people should work because they want or need to, not because they are forced to do so. We prohibit the use of prison labor, forcibly indentured labor, bonded labor, slavery or servitude.

Protection of the rights of children and young workers
Sonoco condemns all forms of exploitation of children. The Company does not recruit child labor and supports the elimination of exploitative child labor. Sonoco also supports laws duly enacted to prevent and punish the crime of sexual exploitation of children and will cooperate with law enforcement authorities in these matters. We do encourage the creation of educational, training or apprenticeship programs tied to formal education for young people.

Equality of opportunity
We recognize, respect and embrace the cultural differences found in the worldwide marketplace. Our workplace is a meritocracy where our goal is to attract, develop, promote and retain the best people from all cultures and segments of the population, based on ability. We have zero tolerance for discrimination or harassment of any kind. As a U.S. Federal contractor, Sonoco completes Affirmative Action Plans for its U.S. operations and has diversity hiring goals that are reported to its Board of Directors. We also carefully monitor diversity hiring globally and strive to create a diverse workforce that represents the communities where we operate.

Compensation
We ensure that compensation meets or exceeds the legal minimums and is competitive with industry standards. Our compensation philosophy is clearly communicated to employees and is in full compliance with all applicable laws.

Relationships with indigenous people
Within the framework of our values, we respect the cultures, customs and values of the people in communities where we operate and take into account their needs, concerns and aspirations.

Implementation
This Human Rights Policy Statement is implemented through the Company's business ethics and compliance program, on which all employees are trained, and will remain posted on Sonoco's website at www.sonoco.com. Sonoco’s Global Human Rights statement was implemented and is regularly reviewed by the Employee and Public Responsibility Committee of the Board of Directors, while managed by the Vice President, Human Resources.
Sonoco is committed to creating sustainable products, services and programs for our customers, employees and the communities that support our corporate purpose of Better Packaging. Better Life.

Our 2018 Financial Performance Highlights

**OUR STRATEGY IS FOCUSED ON THREE AREAS:** driving profitable growth, improving margins and consistently growing cash flow from operations and free cash flow. We will drive profitable growth by analyzing macro-economic trends, combined with a rigorous review of our own capabilities and operations, then aligning what we learn to help us develop new products, new markets and new customers, which serve a variety of consumer packaging, industrial products, protective packaging, and displays and packaging supply chain services. In addition, we are working to improve margins by implementing new processes and new systems, including commercial excellence initiatives, which are allowing us to better realize the value of our products and services, and operational excellence systems, which are focused on reducing the unit cost to produce in our plants; along with procurement productivity and organizational efficiency, which help reduce operating costs and offset inflation. Finally, we are focused on driving consistent growth in cash flow from operations and free cash flow by managing working capital, which will allow us to continue to invest in growing our business and returning cash to shareholders through consistently growing dividends.

Our 2018 Financial Performance by the Numbers

**NET SALES UP 7.0%**
2018 net sales increased to a record $5.39 billion, up $354.3 million from 2017. The 7.0% increase was due to acquisitions, higher selling prices implemented to recover rising material, freight and other operating costs, and modest volume/mix growth.

**GAAP EPS UP 78%; BASE EPS UP 21%**
GAAP earnings per share increased 78% to a record $3.10 per diluted share. Earnings in 2018 included after-tax charges totaling $.27 per diluted share, largely related to restructuring and asset impairment charges, acquisition costs and the effect of income tax rate changes on deferred tax items. GAAP earnings in 2017 were impacted $1.06 per diluted share, after tax, due primarily to the impact of the 2017 U.S. Tax Cuts and Jobs Act, as well as restructuring expenses, acquisition costs and other one-time items. Base earnings per share were a record $3.37 per diluted share, up approximately 21% from 2017. The increase was due to a positive price/cost relationship and income from acquisitions, offset by higher operating costs.

**CASH PROVIDED BY OPERATIONS UP 69%**
Cash flow from operations increased to a record $589.9 million, an increase of $241.6 million from 2017. Free cash flow*, after dividends, increased to a record $260.2 million, up $11.5 million from 2017. The increase in operating cash flow was due to higher GAAP net income; lower pension and benefit plan contributions and expenses; and improvement in working capital.

*Free cash flow is a non-GAAP financial measure which is defined as cash flow from operations minus net capital expenditures and cash dividends.
Our 2018 Key Accomplishments

TARGETED ACQUISITION GROWTH
IN 2018, WE COMPLETED THREE STRATEGIC ACQUISITIONS to complement our Consumer Packaging and Paper/Industrial Converted Products segments. In total, we expended $278.8 million to acquire:

- Highland Packaging Solutions, a Plant City, Fla.-based, leading manufacturer of thermoformed packaging for fresh produce and dairy products to complement our perimeter of the store growth strategy.
- We purchased the remaining 70% interest in the Conitex Sonoco joint venture as well as a previously unowned rigid paper container operation in Spain from Texpack, Inc. Conitex Sonoco is a leading producer of uncoated recycled paperboard, cones and tubes for the global spun yarn industry.
- We also acquired an additional 19% interest in our Sonoco Asia, LLC, joint venture from PFE Hong Kong Limited, increasing our ownership to approximately 99% of the JV.

$176.0 MILLION RETURNED TO SHAREHOLDERS
Sonoco returned $176.0 million in cash to shareholders in 2018, primarily in the form of dividends. Over the past five years, Sonoco has returned approximately $951.2 million to shareholders in the form of dividends and share repurchases. In 2018, we raised the common stock dividend by 5.1% to $1.64 per share, on an annualized basis. We have paid quarterly dividends to shareholders since 1925 and have increased dividends for the last 35 consecutive years.

THREE-YEAR TOTAL RETURN = 42.4%
During 2018, Sonoco provided a 3.1% total return to shareholders*, which significantly outperformed our peers and the major indices. Our three-year total return to shareholders of 42.4% compares favorably to a 26.9% total return by the Dow Jones Container and Packaging Index and 30.4% return by the S&P 500.

*Cumulative stock price appreciation, plus dividends, with dividends reinvested
To ensure that we appropriately consider the needs of our people, our communities and our planet, along with those of our company, we revisited our materiality assessment to more closely align our corporate responsibility work.

Revisiting Our Materiality Assessment

The University of South Carolina’s Darla Moore School of Business assisted Sonoco in conducting the new assessment by reviewing 33 Global Reporting Initiative (GRI) economic, environmental and social standards with nine stakeholder groups, including interviews with hundreds of our employees. As a result, we identified several standards we view as priorities and to which our sustainability efforts are focused and aligned.

STAKEHOLDER GROUPS

- Customers
- Suppliers
- Industry peers
- Shareholders
- Non-government organizations
- Community leaders
- Regulators/Government
- Sonoco employees
Corporate Sustainability Council: The Sonoco Corporate Sustainability Council provides oversight, guidance and direction on social, community and environmental issues that have potential impacts on the reputation and long-term economic viability of the Company and our stakeholders.

The Sustainability Council meets regularly, reports to and is sponsored by Sonoco’s President & CEO. The Council reports on sustainability activities, biannually, to Sonoco’s Board of Directors.

SUSTAINABILITY COUNCIL OBJECTIVES:
Identify and define the issues relevant to Sonoco’s long-term sustainability and corporate citizenship
Establish meaningful long-term and short-term sustainability objectives related to key focus areas and provide Sonoco’s Executive Committee with recommendations and guidance on how to meet those objectives
Recommend and establish new Company guidelines, policies and processes to support those areas of focus
Create and communicate a business case for corporate sustainability
Provide recommendations for the Company’s philanthropic efforts in support of overall corporate sustainability objectives

EMPLOYEE AND PUBLIC RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS
The Employee and Public Responsibility Committee of the Board of Directors provides oversight and guidance on social and public policy issues, including compliance with governmental or other regulatory requirements which may impact business performance and the investment potential of Sonoco.

EMPLOYEE AND PUBLIC RESPONSIBILITY MEMBERS
- Dr. Pamela Davies (Chair)
- Harry A. Cockrell
- Theresa Drew
- Philippe Guillernot
- Sundaram Nagarajan


Sustainability Council Members
- ROB TIEDE, President and CEO (Sponsor)
- ROGER SCHRUM, Vice President, Investor Relations and Corporate Affairs (Chair)
- JULIE ALBRECHT, Vice President and Chief Financial Officer
- SUSAN ALBRITTON, U.S. Field Manager, Recycling
- JOHN FLORENCE, Vice President, Human Resources, General Counsel and Secretary
- RODGER FULLER, Senior Vice President, Global Consumer Packaging, Display and Packaging and Protective Solutions
- RUSSELL GRISSETT, Division Vice President & General Manager, Global Flexibles
- EDWARD HARRINGTON, Director, Environmental Services
- ELIZABETH KREMER, Assistant Secretary and Stakeholder Engagement Coordinator
- LESLIE PEMBERTON, Staff Vice President, Global Quality
- LAURA ROWELL, Director, Global Sustainability
- JEFFREY SCHUETZ, Staff Vice President, Global Technology, Consumer
- MARCY THOMPSON, Vice President, Marketing and Innovation
- JEFFREY TOMASZEWSKI, Division Vice President and General Manager, Global Rigid Paper and Closures and Display and Packaging
- GARRIN TRAILL, Director, Internal Audit