UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission File Number: 001-11261

SONOCO PRODUCTS COMPANY
(Exact name of registrant as specified in its charter)

South Carolina (State or other jurisdiction of incorporation or organization)	57-0248420 (I.R.S. Employer Identification No.)
1 N. Second St. Hartsville, South Carolina (Address of principal executive offices)	29550 (Zip Code)

Telephone: (843) 383-7000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
No par value common stock	SON	New York Stock Exchange LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting common stock held by nonaffiliates of the registrant (based on the New York Stock Exchange closing price) on July 2, 2021, which was the last business day of the registrant's most recently completed second fiscal quarter, was $6,541,267,123.

As of February 18, 2022, there were 97,452,785 shares of no par value common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the annual meeting of shareholders to be held on April 20, 2022, which statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Report relates, are incorporated by reference in Part III.

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Forward-looking statements

Statements included in this Annual Report on Form 10-K that are not historical in nature, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those settlements are based, are intended to be, and are hereby identified as "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. In addition, the Company and its representatives may from time to time make other oral or written statements that are also "forward-looking statements." Words such as "anticipate," "aspires," "assume," "believe," "can," "committed," "commitment," "consider," "could," "envision," "estimate," "expect," "forecast," "future," "goal," "guidance," "intend," "may," "might," "objective," "opportunity," "outlook," "plan," "potential," "project," "re-envision," "strategy," "target," "will," "would," or the negative thereof, and similar expressions identify forward-looking statements. Forward-looking statements in this Annual Report on Form 10-K include, but are not limited to, statements regarding:

- availability and supply of raw materials, and offsetting high raw material costs, including the potential impact of changes in tariffs;
- potential impacts of the COVID-19 pandemic on the Company's business, operations and financial condition;
- consumer and customer actions in connection with the COVID-19 pandemic;
- improved productivity and cost containment;
- improving margins and leveraging strong cash flow and financial position;
- effects of acquisitions and divestitures, including the Company's acquisition of Ball Metalpack Holding, LLC ("Ball Metalpack");
- realization of synergies resulting from acquisitions, including the acquisition of Ball Metalpack;
- costs, timing and effects of restructuring activities;
- adequacy and anticipated amounts and uses of cash flows;
- expected amounts of capital spending;
- refinancing and repayment of debt;
- financial and business strategies and the results expected of them;
- financial results for future periods;
- producing improvements in earnings;
- profitable sales growth and rates of growth;
- market leadership;
- research and development spending;
- expected impact and costs of resolution of legal proceedings;
- extent of, and adequacy of provisions for, environmental liabilities and sustainability commitments;
- commitments to reduce greenhouse gas emissions;
- adequacy of income tax provisions, realization of deferred tax assets, outcomes of uncertain tax issues and tax rates;
- goodwill impairment charges and fair values of reporting units;
- future asset impairment charges and fair values of assets;
- anticipated contributions to pension and postretirement benefit plans, fair values of plan assets, long-term rates of return on plan assets, and projected benefit obligations and payments;
- expected impact of implementation of new accounting pronouncements;
- creation of long-term value and returns for shareholders;
- continued payment of dividends; and
- planned stock repurchases.

Such forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to guidance and other estimates, perceived opportunities, expectations, beliefs, plans, strategies, goals and objectives concerning our future financial and operating performance. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. Such risks, uncertainties and assumptions include, without limitation:

- availability and pricing of raw materials, energy and transportation, including the impact of potential changes in tariffs or sanctions and escalating trade wars and the impact of war and other geopolitical tensions (such as the ongoing military conflict between Russia and Ukraine and economic sanctions related thereto), and the Company's ability to pass raw material, energy and transportation price increases and surcharges through to customers or otherwise manage these commodity pricing risks;
- impacts arising as a result of the COVID-19 pandemic on our results of operations, financial condition, value of assets, liquidity, prospects, growth, and on the industries in which we operate and that we serve, resulting from, without limitation, recent and ongoing financial market volatility, potential governmental actions, changes in consumer behaviors and demand, changes in customer requirements, disruptions to the Company's suppliers and supply chain, availability of labor and personnel, necessary modifications to operations and business, and uncertainties about the extent and duration of the pandemic;
- costs of labor;
- work stoppages due to labor disputes;
- success of new product development, introduction and sales;
- success of implementation of new manufacturing technologies and installation of manufacturing equipment, including the startup of new facilities and lines;
- consumer demand for products and changing consumer preferences;
- ability to be the low-cost global leader in customer-preferred packaging solutions within targeted segments;
- competitive pressures, including new product development, industry overcapacity, customer and supplier consolidation, and changes in competitors' pricing for products;
- financial conditions of customers and suppliers;
- ability to maintain or increase productivity levels, contain or reduce costs, and maintain positive price/cost relationships;
- ability to negotiate or retain contracts with customers, including in segments with concentration of sales volume;
- inventory management strategies of customers;
- timing of introduction of new products or product innovations by customers;
- collection of receivables from customers;

- ability to improve margins and leverage cash flows and financial position;
- ability to manage the mix of business to take advantage of growing markets while reducing cyclical effects of some of the Company's existing businesses on operating results;
- ability to maintain innovative technological market leadership and a reputation for quality;
- ability to attract and retain talented and qualified employees, managers and executives;
- ability to profitably maintain and grow existing domestic and international business and market share;
- ability to expand geographically and win profitable new business;
- ability to identify and successfully close suitable acquisitions at the levels needed to meet growth targets;
- ability to successfully integrate newly acquired businesses, including Ball Metalpack, into the Company's operations and realize synergies and other anticipated benefits within the expected time period, or at all;
- the costs, timing and results of restructuring activities;
- availability of credit to us, our customers and suppliers in needed amounts and on reasonable terms;
- effects of our indebtedness on our cash flow and business activities;
- fluctuations in interest rates and our borrowing costs;
- fluctuations in obligations and earnings of pension and postretirement benefit plans;
- accuracy of assumptions underlying projections of benefit plan obligations and payments, valuation of plan assets, and projections of long-term rates of return;
- timing of funding pension and postretirement benefit plan obligations;
- cost of employee and retiree medical, health and life insurance benefits;
- resolution of income tax contingencies;
- foreign currency exchange rate fluctuations, interest rate and commodity price risk and the effectiveness of related hedges;
- changes in U.S. and foreign tariffs, tax rates, tax laws, regulations and interpretations thereof;
- the adoption of new, or changes in, accounting standards or interpretations;
- challenges and assessments from tax authorities resulting from differences in interpretation of tax laws, including income, sales and use, property, value added, employment, and other taxes;
- accuracy in valuation of deferred tax assets;
- accuracy of assumptions underlying projections related to goodwill impairment testing, and accuracy of management's assessment of goodwill impairment;
- accuracy of assumptions underlying fair value measurements, accuracy of management's assessments of fair value and fluctuations in fair value;
- ability to maintain effective internal controls over financial reporting;
- liability for and costs of resolution of litigation, regulatory actions, or other legal proceedings;
- liability for and anticipated costs of environmental remediation actions;
- effects of environmental laws and regulations;
- operational disruptions at our major facilities;
- failure or disruptions in our information technologies;
- failure of third party transportation providers to deliver our products to our customers or to deliver raw materials to us;
- substantially lower than normal crop yields;
- loss of consumer or investor confidence;
- ability to protect our intellectual property rights;
- changes in laws and regulations relating to packaging for food products and foods packaged therein, other actions and public concerns about products packaged in our containers, or chemicals or substances used in raw materials or in the manufacturing process;
- changing consumer attitudes toward plastic packaging;
- ability to meet sustainability targets and challenges in implementation;
- changing climate, climate change regulations and greenhouse gas effects;
- ability to meet commitments to reduce greenhouse gas emissions;
- actions of domestic or foreign government agencies and changes in laws and regulations affecting the Company and increased costs of compliance;
- international, national and local economic and market conditions and levels of unemployment;
- economic disruptions resulting from war and other geopolitical tensions (such as the ongoing military conflict between Russia and Ukraine), terrorist activities and natural disasters; and
- accelerating inflation.

More information about the risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or forecasted in forward-looking statements is provided in this Annual Report on Form 10-K under Item 1A - "Risk Factors" and throughout other sections of this report and in other reports filed with the Securities and Exchange Commission. In light of these various risks, uncertainties and assumptions, the forward-looking events discussed in this Annual Report on Form 10-K might not occur.

The Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. You are, however, advised to review any further disclosures we make on related subjects, and about new or additional risks, uncertainties and assumptions, in our future filings with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K.

References to our website address

References to our website address and domain names throughout this Annual Report on Form 10-K are for informational purposes only, or to fulfill specific disclosure requirements of the Securities and Exchange Commission’s rules or the New York Stock Exchange Listing Standards. These references are not intended to, and do not, incorporate the contents of our websites by reference into this Annual Report on Form 10-K.

PART I

Item 1. Business

(a) General Development of Business –

Sonoco Products Company ("Sonoco," "the Company," "we," "us," or "our") is a South Carolina corporation originally founded in Hartsville, South Carolina, in 1899 as the Southern Novelty Company. At its beginnings in 1899, a team of 12 people worked from a rented warehouse in Hartsville, South Carolina. The Company's first product was a cone-shaped paper yarn carrier used for winding and transporting yarn. Since most of the textile cones of that day were wooden, paper cones were a novelty. The Company soon became the leading producer of cones in the United States. The Southern Novelty Company continued to diversify its product line and add new operations around the country. In 1923, the Southern Novelty Company name was changed to Sonoco Products Company, or "Sonoco," using the first two letters from each word of its original name.

Sonoco is now a multi-billion dollar global manufacturer of a variety of consumer, industrial, protective, and healthcare packaging products. The Company has approximately 300 locations in 32 countries, serving some of the world's best-known brands in some 85 nations. Sonoco is committed to creating sustainable products, services and programs for our customers, employees and communities that support our corporate purpose: *Better Packaging. Better Life*. Our goal is to bring more to packaging than just the package by offering integrated packaging solutions that help define brand personalities, creating unique customer experiences, and enhancing the quality of products. We seek to help our customers solve their packaging challenges by connecting insights to innovation and developing customized solutions that are tailored to the customer's goals and objectives.

Sonoco changed its financial reporting structure effective January 1, 2021, to reflect the way it manages its operations, evaluates performance and allocates resources. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other.

The former Protective Solutions and Display and Packaging segments were eliminated and the underlying businesses and their results were realigned into All Other or, in certain cases, subsumed into the remaining two reportable segments. The Company divested its global display and packaging business in two separate transactions: the European contract packaging business on November 30, 2020 and the U.S. display and packaging business on April 4, 2021. Prior to the divestitures, these businesses were reported in All Other. Information about products and services of these segments and the markets they serve is discussed below under "Description of business." Segment financial information for prior periods has been recast to conform to the current-year presentation.

On January 26, 2022, Sonoco completed the acquisition of Ball Metalpack Holding, LLC ("Ball Metalpack"), a leading supplier of sustainable metal packaging for food and household products and the largest aerosol can manufacturer in North America, for an aggregate purchase price of $1.35 billion in cash, subject to customary adjustments, including for working capital, cash and indebtedness.

(c) Description of Business –

Segment Reporting

As noted above, the Company currently reports its financial results in two reportable segments – Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other. Further information about the Company's reportable segments is provided in Note 18 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. We anticipate that the operations of Ball Metalpack will be included in the Consumer Packaging segment in future periods.

Consumer Packaging

The Consumer Packaging segment accounted for approximately 42%, 43% and 41% of the Company's consolidated net sales in the years ended December 31, 2021, 2020 and 2019, respectively. The operations in this segment consisted of 83 plants throughout the world as of December 31, 2021. The products, services and markets of the Consumer Packaging segment, prior to the Ball Metalpack acquisition, were as follows:

Products and Services	*Markets*
Round and shaped rigid paper containers; fiber and plastic caulk/adhesive tubes; metal and peelable membrane ends and closures; thermoformed plastic trays and containers; high-barrier flexible packaging films and printed flexible packaging; rotogravure cylinder engraving; and global brand artwork management	Stacked chips, snacks, nuts, cookies, crackers, other hard-baked goods, candy, gum, frozen concentrate, powdered and liquid beverages, powdered infant formula, coffee, refrigerated dough, frozen foods and entrees, processed foods, fresh fruits, vegetables, fresh-cut produce, salads, fresh-baked goods, eggs, seafood, poultry, soup, pasta, dairy, sauces, dips, condiments, pet food, meats, and cheeses

Within the Consumer Packaging segment, Sonoco's rigid paper containers are the Company's largest revenue-producing group of products and services, representing approximately 24% of consolidated net sales in the year ended December 31, 2021. This group comprised 25% and 21% of consolidated net sales in 2020 and 2019, respectively.

Industrial Paper Packaging

The Industrial Paper Packaging segment, previously called "Paper and Industrial Converted Products," accounted for approximately 44%, 38% and 39% of the Company's consolidated net sales in the years ended December 31, 2021, 2020 and 2019, respectively. This segment served its markets through 178 plants on five continents as of December 31, 2021. Sonoco's paper operations provide the primary raw material for the Company's fiber-based packaging. Sonoco uses approximately 46% of the paper it manufactures, and the remainder is sold to third parties. This vertical integration strategy was supported by 23 paper mills with 31 paper machines and 23 recycling facilities throughout the world as of December 31, 2021. In 2021, Sonoco had the capacity to manufacture approximately 2.2 million tons of recycled paperboard. The products, services and markets of the Industrial Paper Packaging are as follows:

Products and Services	Markets
Recycled paperboard, chipboard, tubeboard, lightweight corestock, boxboard, corrugating medium, edgeboard, specialty paper grades, and adhesives; paperboard tubes and cores, molded plugs, and reels; paper-based cones and pallets; paper-based protective packaging; collection, processing and recycling of old corrugated containers, paper, plastics, metal, glass and other recyclable materials; and flexible intermediate bulk containers and bulk bags	Converted paperboard products, spiral winders, construction, plastic films, metal, paper mills, shipping and storage, tape and labels, textiles, wire and cable, adhesives, appliances, heating and air conditioning, office furnishings, fitness equipment, promotional and palletized distribution, municipal, residential, customers' manufacturing and distribution facilities and fiber protective packaging

In 2021, Sonoco's tubes and cores products were the Company's second largest revenue-producing group of products, representing approximately 21% of consolidated net sales in the year ended December 31, 2021. This group comprised 19% of consolidated net sales in both 2020 and 2019.

All Other

The businesses grouped as All Other accounted for approximately 14%, 19%, and 20% of the Company's consolidated net sales in the years ended December 31, 2021, 2020 and 2019, respectively. The operations in this segment consisted of 35 plants throughout the world as of December 31, 2021. Prior to their divestitures in 2020 and 2021, the Company's global display and packaging businesses, which included point-of-purchase displays, fulfillment operations, and contract packaging, were reported in All Other. The products, services and markets of the businesses grouped as All Other are as follows:

Products and Services	Markets
Thermoformed rigid plastics trays and devices, custom-engineered, molded foam protective packaging and components; temperature-assured packaging; retail security packaging, including printed backer cards, thermoformed blisters and heat sealing equipment; injection molded and extruded containers, spools and parts; and paper amenities	Medical devices, pharmaceuticals, electronics; automotive, appliances, temperature-sensitive pharmaceuticals and food; miscellaneous foods and beverages, personal care, cosmetics, fragrances, hosiery, office supplies, home and garden, over-the-counter drugs, sporting goods, hospitality industry

Other Aspects of the Company's Business

Product Distribution – Each of the Company's operating units has its own sales staff, and maintains direct sales relationships with its customers. Some of the units have service staff at the manufacturing facility that interact directly with customers. The Industrial Paper Packaging segment and certain operations within the Consumer Packaging segment have customer service centers located in Hartsville, South Carolina, which are the main contact points between their North American business units and their customers. Divisional sales personnel also provide sales management, marketing and product development assistance as needed. Typically, product distribution is directly from the manufacturing plant to the customer, but in some cases, product is warehoused in a mutually advantageous location to be shipped to the customer as needed.

Raw Materials – The principal raw materials used by the Company are recovered paper, paperboard, steel, aluminum and plastic resins. Raw materials are purchased from a number of outside sources. The Company considers the supply and availability of raw materials to be adequate to meet its needs.

Patents, Trademarks and Related Contracts – Most inventions and product and process innovations are generated by Sonoco's development, marketing and engineering staff, and are important to the Company's internal growth. Patents have been granted on many inventions created by Sonoco staff in the United States and in many other countries. Patents and trade secrets were acquired as part of acquisitions over the past two years, including the August 2020 acquisition of Can Packaging and the January 2022 acquisition of Ball Metalpack. These patents are managed globally by a Sonoco intellectual capital management team through the Company's subsidiary, Sonoco Development, Inc. (SDI). SDI globally manages patents, trade secrets, confidentiality agreements and license agreements. Some patents have been licensed to other manufacturers. Sonoco also licenses a few patents from outside companies and universities. U.S. patents expire after about 20 years, and patents on new innovations replace many of the abandoned or expired patents. A second intellectual capital subsidiary of Sonoco, SPC Resources, Inc., globally manages Sonoco's trademarks, service marks, copyrights and Internet domain names. Most of Sonoco's products are marketed worldwide under trademarks such as Sonoco®, SmartSeal®, Sonotube®, Sealclick®, Sonopost® and UltraSeal®. Sonoco's registered web domain names provide information about Sonoco, its people and its products. Trademarks and domain names are licensed to outside companies where appropriate.

Seasonality – Although demand for some of the Company's products varies seasonally, overall the Company's operations are not seasonal to any significant degree.

Dependence on Customers – On an aggregate basis during 2021, the five largest customers in the Consumer Packaging segment and the Industrial Paper Packaging segment accounted for approximately 28% and 9%, respectively, of each segment's net sales. The five largest customers in the All Other group of businesses accounted for approximately 13% of the group's net sales.

Sales to the Company's largest customer represented 4.2% of consolidated revenues in 2021. This concentration of sales volume resulted in a corresponding concentration of credit, representing approximately 3.4% of the Company's consolidated trade accounts receivable at December 31, 2021. The Company's next largest customer comprised 3.0% of consolidated revenues in 2021.

Additional information regarding Sonoco's customers is provided in Item 1A - Risk Factors under the caption "Risks Related to Competition, Customers and Suppliers."

Competition – The Company sells its products in highly competitive markets, which include paper, textile, film, food, packaging, construction, and wire and cable. All of these markets are influenced by the overall rate of economic activity, and their behavior is principally driven by supply and demand. Because we operate in highly competitive markets, we regularly bid for new and continuing business. Losses and/or awards of business from our largest customers, customer changes to alternative forms of packaging, and the repricing of business, can have a significant effect on our operating results. The Company manufactures and sells many of its products globally. The Company, having operated internationally since 1923, considers its ability to serve its customers worldwide in a timely and consistent manner a competitive advantage. The Company also believes that its technological leadership, reputation for quality, and vertical integration are competitive advantages. Expansion of the Company's product lines and global presence is driven by the rapidly changing needs of its major customers, who demand high-quality, state-of-the-art, environmentally compatible packaging, wherever they choose to do business. It is important to be a low-cost producer in order to compete effectively. The Company is focused on productivity improvements and other cost-reduction initiatives utilizing the latest in technology. Additional information regarding competition is provided in Item 1A - Risk Factors under the caption "Risks Related to Competition, Customers and Suppliers."

Compliance with Government Regulations and Laws – The Company must comply with extensive laws, rules and regulations in the United States and in each of the countries where it conducts business with respect to a variety of matters. Management believes that the Company is in compliance with all material applicable government regulations, including environmental regulations and does not believe that there is any material impact on capital expenditures, earnings, or competitive position as a result of efforts to comply with these regulations. Information regarding compliance with government regulations, including environmental laws, is provided in Item 1A - Risk Factors, in Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Risk Management," and in Note 16 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Culture – At Sonoco, our purpose is engrained in our culture. In fact, it drives our culture. It drives our product development. It drives how we work with our customers and each other. It drives what we do, and the decisions we make. Our purpose isn't just a collection of words. It represents the collective spirit of an organization focused on one thing: *Better Packaging. Better Life*.

Sustainability - Packaging plays a fundamental role in providing safe and hygienic delivery systems for food, medicines and other essential products around the world. However, we believe the importance of packaging extends beyond its functionality to also include its impact on the planet. During 2020, we established a new corporate team, led by a staff vice president directly reporting to our CEO, to champion our global sustainability efforts. This team leads the Company's global sustainability programs for all our Consumer- and Industrial-related packaging businesses, including driving efforts to meet our climate change related goals, and addressing the complex regulatory and policy environment landscape. Additionally, we have set up a Corporate Sustainability Council to provide oversight, guidance, and direction on social, community, and environmental issues that impact the reputation and economic performance of the Company and to help address the concerns of our stakeholders. The Council meets quarterly and reports to and is sponsored by Sonoco's president and CEO. The Council reports on Sonoco's sustainability activities, biannually, to the Board of Directors.

Our sustainability goals include the following key elements:

Greenhouse Gas Emissions - While we have reduced normalized greenhouse gas ("GHG") emissions by approximately 25% since 2009, we are committed to further improving our environmental impact by setting ambitious new targets to reduce our global greenhouse gas emissions in line with the Paris Agreement, which is aimed at limiting the warming of global temperatures to well below 2°C above pre-industrial levels. Specifically, Sonoco aims to reduce absolute scope 1 and 2 GHG emissions by 25% by 2030 from a 2020 base year. We have also set a goal to reduce absolute scope 3 GHG emissions by 13.5% by 2030 from a 2019 base year by working with our customers and suppliers to develop innovative packaging solutions that reduce packaging waste and improve recyclability. These goals were validated by the Science-Based Target Initiative in June 2021. In addition, we are actively studying necessary operational changes, technology developments and market changes that would be required to achieve net-zero GHG emissions by 2050.

To meet our Science-Based Targets over the next decade, each of our more than 300 global operations are focused on reducing GHG emissions by investing in energy efficiency and renewable energy projects along with purchasing electricity from certified green and reduced-carbon energy sources. In addition, we are incorporating sustainability and environmental metrics into each of our business units' plans and management incentives.

Energy Usage - In support of our GHG emission reductions, Sonoco aims to continue energy efficiency improvements in our manufacturing plants targeted to reduce normalized energy use by at least 8% by 2030 from a 2020 baseline in addition to investing in energy efficiency, renewable energy and alternative power projects. For example, our "Greening of the Grid" project includes purchasing less carbon intensive electricity from utilities. We believe these actions will reduce cumulative scope 2 GHG emissions by up to 10% by 2030. Also, our ongoing plant efficiency projects are intended to drive an 8% cumulative reduction in scope 1 GHG emissions, stemming from direct investments in plant boiler efficiency, compressed air, LED lighting, vacuum systems, HVAC systems and process chillers.

Water Usage - Reducing our water consumption is part of being responsible stewards of our planet's resources. Many of our actions to reduce water usage involve our global paper mills, which account for the majority of our global water usage. We plan to conduct water risk studies at these manufacturing facilities using WRI Aqueduct, WWF Water Rich Filter or similar tools.

Plastic Usage - We are committed to responsibly managing resins use at our facilities and are implementing "Operation Clean Sweep", a program focused on preventing discharge of plastic pellets into the environment. We are also working to ensure we can make relevant on-pack recyclability claims for at least 75% of our global rigid plastic product portfolio, while also ensuring we are closing the loop through continued use of post-consumer recycled content.

Recycling - We also serve as a valued partner to our customers to reduce the environmental impact of their packaging. As such, by utilizing recycled materials, the Company has already achieved its goal set in 2019 to increase to at least 85% of the amount, based on weight, of product we recycle or cause to be recycled as a percent of the product we put in the marketplace.

We are focused on continuing to reduce energy usage and air emissions by improving energy efficiency through targeted investments and initiatives. We continue to engage in activities and make investments that we believe will enable us to innovate our products and improve our operational infrastructure as well as drive end-of-life solutions for our products and develop partnerships with key stakeholders across our value chain to help deliver sustainable solutions.

Human Capital Management - Sonoco's core belief that "we are only as strong as our people" underlies our efforts to attract, acquire and retain talented employees for our global businesses. We seek to engage, develop and reward our employee base of approximately 20,500 so they can successfully pursue our purpose of *Better Packaging. Better Life*. We depend on our employees to achieve our mission of creating sustainable packaging solutions that help build our customers' brands, enhance the quality of their products and improve the quality of life for people around the world. We work towards this goal by establishing a foundation for actions that support health and safety, diversity and inclusion, and talent development.

Health and Safety – Protecting the health and safety of our employees is a top priority, and we are committed to providing a safe working environment for all our associates. We use global and local incident data along with identifying leading indicators to create program and safety improvement action plans to reduce conditions and behaviors that lead to at-risk situations. In 2021, we moved our safety program from a historical lagging indicator focus to a more proactive, leading indicator approach. Overall injuries in 2021 were slightly down from 2020 but more importantly were down 10% from 2019. To promote the prevention of more significant Life Changing Events, which are injuries or incidents that cause or have the potential to cause permanent disabilities or the loss of life, we engaged outside experts to conduct assessments of high-risk activities and leveraged learnings globally. In addition, we evaluated our safety systems to improve focus and resources. Globally, we achieved completion of 99% of all safety improvement action plans, which are site level improvement plans designed to reduce risk. Finally, our operations leadership worked together to develop a new safety playbook which will be used globally in 2022 to further train our employees.

Our focus on safeguarding the health of our employees continued to evolve around actions we took to reduce exposures to COVID-19. We continued to implement safety protocols across our facilities following recommendations by the U.S. Center for Disease Control and Prevention and the World Health Organization. As the pandemic continuously evolved, we put in place measures and practices for the health and safety of our employees, customers and suppliers, and in response to changing local laws. We proactively provided employees with personal protective equipment, and where possible, provided on-site testing and vaccination clinics.

Diversity and Inclusion – Sonoco embraces Diversity and Inclusion, and our efforts to increase diversity within our Company are an organizational priority. As of December 31, 2021, our employees were located in the following geographic regions: 53% in North America; 19% in Europe, Middle East and Africa; 17% in Latin America; and 11% in Asia Pacific. Our global workforce is 26% female and 74% male and 34% of our U.S. employees identify as a racial minority. We have labor unions in all regions of our operations, and in North America, approximately 16% of our employees are represented by unions. We rely on the unique qualities and talents of our employees to help us meet our strategic priorities. Our Diversity and Inclusion goals are focused on increasing the representation of women and racial minorities into more salaried and senior leadership positions. We are working toward this goal by increasing hiring, focusing on development and promotions, as well as focusing on retention efforts. We made significant progress in talent acquisition during 2021, despite a challenging labor market. In the U.S., 44% of employee hires were female and 34% a member of a minority group in 2021. For the past 10 years, Sonoco's employees have expanded and improved our Global Diversity and Inclusion Council, which is chaired by our President and CEO. In 2020, the Global Diversity and Inclusion Council chartered a new Business Resource Group ("BRG"), *Black Employees @ Sonoco*, to join our other five existing BRGs. In 2021, we continued to focus council activities on workforce representation (diversity) and work environment (inclusion) by addressing unconscious bias to promote an environment where diverse backgrounds are appreciated, and diverse ideas are heard. In addition, we are committed to lifting up historically disadvantaged businesses in an effort to make a positive economic impact on society. We have had a dedicated Supplier Diversity program since 2004, and since 2010 we have spent approximately $1.9 billion with certified, diverse suppliers.

Talent Acquisition and Development – Attracting, developing and retaining talented employees is critical to our success and is an integral part of our human capital strategy. We have created a Global Talent Acquisition and Organization Development team to provide a more holistic approach to managing and enriching the employee lifecycle through continuous training and comprehensive succession planning. In 2021, we significantly expanded *Sonoco University*, a centralized digital training hub, to provide our employees with diverse learning and career development programs. In addition, we conduct regular talent succession assessments along with individual performance reviews in which managers provide regular feedback and coaching to assist with the development of our employees, including the use of individual development plans to assist with individual career development.

(e) Available Information –

The Company electronically files with the Securities and Exchange Commission (the "SEC") its annual reports on Form 10-K, its quarterly reports on Form 10-Q, its periodic reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and proxy materials pursuant to Section 14 of the Exchange Act. The SEC maintains a site on the Internet, *www.sec.gov*, that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Sonoco also makes its filings available, free of charge, through its Investor Relations website, *www.investor.sonoco.com*, as soon as reasonably practical after the electronic filing of such material with the SEC. Sonoco uses its Investor Relations website as a means of disclosing material non-public information. Accordingly, investors should monitor Sonoco's Investor Relations website, in addition to following its press releases, SEC filings, and public conference calls and webcasts. The information posted on or accessible through Sonoco's website is not incorporated into this Annual Report on Form 10-K. The references to Sonoco's websites are intended to be inactive textual references only.

Information About our Executive Officers –

Name	*Age*	*Position and Business Experience for the Past Five Years*
Executive Committee		
R. Howard Coker	59	Board member since 2020. President and Chief Executive Officer. Previously, Senior Vice President, Global Paper and Industrial Converted Products, 2019-2020; Senior Vice President, Rigid Paper Containers and Paper/Engineered Carriers International, 2017-2018; Group Vice President, Global Rigid Paper & Closures, and Paper & Industrial Converted Products, EMEA, Asia, Australia / New Zealand, 2015-2017. Prior to 2015, Group Vice President, Global Rigid Paper & Plastics; Vice President, Global Rigid Paper & Closures; Vice President & General Manager, Rigid Paper & Closures, N.A.; Division Vice President & General Manager, Rigid Paper & Closures. Joined Sonoco in 1985. Mr. Coker is the brother-in-law of J.R. Haley, Chairman of Sonoco's Board of Directors.
Julie C. Albrecht	54	Vice President, Chief Financial Officer. Previously Vice President, Treasurer / Assistant Chief Financial Officer, 2017-2018; Vice President, Finance and Investor Relations & Treasurer for Esterline Technologies Corporation, 2015-2017; Finance Director, Customer Service Aircraft Systems for United Technologies, 2012-2015; Vice President, Finance Goodrich Customer Services, Goodrich Corporation, 2010-2012. Joined Sonoco in 2017.
Robert R. Dillard	47	Vice President, Corporate Development. Previously Staff Vice President, Corporate Development 2018-2019; President of Personal Care Europe and Vice President of Strategy and Innovation at Domtar Personal Care, a division of Domtar Corporation, 2016-2018. Joined Sonoco in 2018.
John M. Florence, Jr.	43	Vice President, General Counsel, Human Resources and Secretary. Previously Corporate Vice President, General Counsel and Secretary, 2016-2019; Corporate Attorney, 2015-2016. Prior experience: Attorney with Haynsworth Sinkler Boyd, P.A., Columbia, SC, 2005-2015. Joined Sonoco in 2015.
Rodger D. Fuller	60	Executive Vice President Global Industrial and Consumer. Previously Senior Vice President, Global Consumer Packaging, Display and Packaging and Protective Solutions, 2019-2020; Senior Vice President, Paper/Engineered Carriers U.S./Canada and Display and Packaging, 2017-2018; Group Vice President, Paper & Industrial Converted Products, Americas, 2015-2017; Group Vice President, Paper/Tubes and Cores N.A., 2013-2015; Vice President, Global Rigid Plastics & Corporate Customers, 2011-2013; Vice President, Global Rigid Paper & Plastics, January-October 2011; Vice President, Global Rigid Paper & Closures, 2008-2011; Vice President, Rigid Paper & Plastics N.A., 2005-2008; Division Vice President & General Manager, Consumer Products N.A., 2000-2005. Joined Sonoco in 1985.
Richard K. Johnson	54	Vice President and Chief Information Officer. Previously Vice President and Chief Information Officer of HNI Corporation, a global manufacturer of office furniture and hearth products, 2011-2019. Currently, member of the Board of Directors for The Marvin Companies, Inc. Joined Sonoco in 2019.
Roger P. Schrum	66	Vice President, Investor Relations & Corporate Affairs. Previously Staff Vice President, Investor Relations & Corporate Affairs, 2005-2009. Joined Sonoco in 2005.
Other Corporate Officers		
Russell K. Grissett	52	Vice President, Global Flexible Packaging effective November 1, 2021. Previously Division Vice President and General Manager of Global Flexibles, 2019-2021; Division Vice President and General Manager of Protective Solutions, 2017-2019; Division Vice President and General Manager Thermosafe, 2013-2017. Joined Sonoco in 1993.
James A. Harrell III	60	Vice President Americas Industrial. Previously Vice President Tubes & Cores, US and Canada, 2016-2020; Vice President, Tubes & Cores N.A., 2010-2015; Vice President & General Manager, Industrial Converted Products, 2009-2010; Division Vice President & General Manager, Paper, N.A., 2008-2009; Staff Vice President, Global Operating Excellence, Industrial Products, 2007-2008; Division Vice President, Industrial Products/ Paper-Europe, 2002-2007. Joined Sonoco in 1985.
Ernest D. Haynes III	49	Vice President, Rigid Paper Containers, North America, effective November 1, 2021. Previously Division Vice President and General Manager of Rigid Paper Containers, North America 2018-2021; Division Vice President of Manufacturing, Tubes and Cores, U.S. and Canada 2015-2018; Director of Manufacturing, Metal Ends & Closures 2012-2015. Joined Sonoco in 1997.
Jeffrey S. Tomaszewski	53	Vice President, North America Consumer and Global Rigid Paper & Closures. Previously Division Vice President and General Manager – Global Rigid Paper and Closures, Display and Packaging and Paperboard Specialties, 2019-2020; Division Vice President and General Manager of Rigid Paper Containers, NA and Display and Packaging, 2018-2019; Division Vice President, Rigid Paper Containers, NA, 2015-2018; Division Vice President and General Manager of Global Display and Packaging and Packaging Services, 2013–2015. Joined Sonoco in 2002.
Adam Wood	53	Vice President, Paper & Industrial Converted Products, EMEA, Australia and New Zealand. Previously Vice President, Paper & Industrial Converted Products, EMEA, Asia, Australia and New Zealand, 2015-2019; Vice President, Global Tubes & Cores, 2015; Vice President, Industrial Europe, 2014; Division Vice President and General Manager, Industrial Europe, 2011-2014. Joined Sonoco in 2003.

Item 1A. Risk Factors

We are subject to risks and uncertainties that could adversely affect our business, consolidated financial condition, results of operations and cash flows, ability to pay dividends, and the trading price of our securities. These factors could also cause our actual results to materially differ from the results contemplated by forward-looking statements we make in this report, in our other filings with the Securities and Exchange Commission, and in our public announcements. You should consider the risk factors described below, as well as other factors described elsewhere in this report and in our other filings with the Securities and Exchange Commission, in evaluating us, our business, and any investment in our securities. Although these are the most significant risk factors of which we are currently aware, they are not the only risk factors to which we are subject. Additional risk factors not currently known to us, or that we currently deem immaterial, could also adversely affect our business operations and financial results.

Risks Related to the Domestic and Global Economies and to Doing Business Globally

Our international operations subject us to various risks that could adversely affect our business operations and financial results.

We have operations throughout North and South America, Europe, Australia and Asia, with approximately 300 facilities in 32 countries. In 2021, approximately 35% of consolidated sales came from operations outside of the United States, and we expect to continue to expand our international operations in the future. Management of global operations is extremely complex, and operations in foreign countries are subject to local statutory and regulatory requirements, differing legal environments and other additional risks that may not exist, or be as significant, in the United States. These additional risks may adversely affect our business operations and financial results, and include, without limitation:

- foreign currency exchange rate fluctuations and foreign currency exchange controls;
- hyperinflation and currency devaluation;
- possible limitations on conversion of foreign currencies into dollars or payment of dividends and other payments by non-U.S. subsidiaries;
- tariffs, non-tariff barriers, duties, taxes or government royalties, including the imposition or increase of withholding and other taxes on remittances and other payments by non-U.S. subsidiaries;
- our interpretation of our rights and responsibilities under local statutory and regulatory rules for sales taxes, VAT and similar taxes, statutory accounting requirements, licenses and permits, etc. may prove to be incorrect or unsupportable resulting in fines, penalties, and/or other liabilities related to non-compliance, damage to our reputation, unanticipated operational restrictions and/or other consequences as a result of the Company's actions, or inaction, taken to perform our responsibilities or protect our rights;
- changes in tax laws, or the interpretation of such laws, affecting taxable income, tax deductions, or other attributes relating to our non-U.S. earnings or operations;
- inconsistent product regulation or policy changes by foreign agencies or governments;
- difficulties in enforcement of contractual obligations and intellectual property rights;
- high social benefit costs for labor, including more expansive rights of foreign unions and work councils, and costs associated with restructuring activities;
- national and regional labor strikes;
- difficulties in staffing and managing international operations;
- geographic, language and cultural differences between personnel in different areas of the world;
- differences in local business practices;
- foreign governments' restrictive trade policies, and customs, import/export and other trade compliance regulations;
- compliance with and changes in applicable foreign laws;
- compliance with U.S. laws, including those affecting trade and foreign investment (including economic sanctions compliance) and the Foreign Corrupt Practices Act;
- loss or non-renewal of treaties between foreign governments and the U.S.;
- product boycotts, including with respect to products of our multi-national customers;
- increased costs of maintaining international manufacturing facilities and undertaking international marketing programs;
- difficulty in collecting international accounts receivable and potentially longer payment cycles;
- the potential for nationalization or expropriation of our enterprises or facilities without appropriate compensation; and
- political, social, legal and economic instability, civil unrest, war and other geopolitical tensions (such as the ongoing military conflict between Russia and Ukraine), catastrophic events, acts of terrorism, and widespread outbreaks of infectious diseases, such as COVID-19.

As discussed further elsewhere in this 10-K and in our other filings with the SEC, some of these risks have already affected us.

Global economic conditions and/or disruptions in the credit markets could adversely affect our business, financial condition or results of operations.

The Company has extensive international operations, and is dependent on customers and suppliers that operate in local economies around the world. In addition, the Company accesses global credit markets as part of its capital allocation strategy. Adverse global macroeconomic conditions could negatively impact our ability to access credit, or the price at which funding could be obtained. Likewise, uncertainty about or a decline in global or regional economic conditions, could have a significant impact on the financial stability of our suppliers and customers, and could negatively impact demand for our products, as has been the case to some extent as a result of impacts of the COVID-19 pandemic. Potential effects include financial instability, inability to obtain credit to finance operations, and insolvency.

We are subject to governmental export and import control laws and regulations in certain jurisdictions where we do business that could subject us to liability or impair our ability to compete in these markets.

Certain of our products are subject to export control laws and regulations and may be exported only with an export license or through an applicable export license exception. If we fail to comply with export licensing, customs regulations, economic sanctions or other laws, we could be subject to substantial civil or criminal penalties, including economic sanctions against us, incarceration for responsible employees and managers, and the possible loss of export or import privileges. In addition, if our distributors fail to obtain appropriate import, export or re-export licenses or permits, we may also be materially adversely affected through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time consuming and expensive and could result in the delay or loss of sales opportunities.

Furthermore, export control laws and economic sanctions prohibit the shipment of certain products to embargoed or sanctioned countries, governments and persons. We cannot guarantee that a violation of export control laws or economic sanctions will not occur. A prohibited shipment could have negative consequences, including government investigations, penalties, fines, civil and criminal sanctions and reputational harm. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could decrease our ability to export or sell our products internationally. Any limitation on our ability to export or sell our products could materially adversely affect our business. For example, in February 2022, following Russia's invasion of Ukraine, the United States and other countries announced economic sanctions against Russia, and the United States and other countries could impose wider sanctions and take other actions should the conflict further escalate. We maintain two small manufacturing operations in Russia and source certain inputs from Russian suppliers. In addition, some of our customers export their products to Russia. While it is difficult to anticipate the effect the sanctions announced to date may have on Sonoco, and any further sanctions imposed or actions taken by the United States or other countries, the effect of current or further economic sanctions may affect the global price and availability of natural gas, raw materials or finished goods, reduce our sales and earnings or otherwise have an adverse effect on our operations.

Changes in U.S. trade policies and regulations, as well as the overall uncertainty surrounding international trade relations, could materially adversely affect our consolidated financial condition and results of operations.

We continue to face uncertainty with respect to trade relations between the U.S. and many of its trading partners. In March 2018, the U.S. announced new tariffs on imported steel and aluminum products. Other international trade actions and initiatives also were announced in 2018 and 2019, notably the imposition by the U.S. of additional tariffs on products of Chinese origin, and China's imposition of additional tariffs on products of U.S. origin. These tariffs have had, and we expect that they will continue to have, an adverse effect on our costs of products sold and margins in our North America segment.

In July 2020, the United States-Mexico-Canada Agreement, which replaced the North American Free Trade Agreement, became effective. In response to this agreement, other countries may change their own trade policies, including the imposition of additional tariffs and quotas, which could also adversely affect our business outside the U.S.

In order to mitigate the impact of these trade-related increases on our costs of products sold, we have increased and may in the future increase prices in certain markets and, over the longer term, make changes in our supply chain and, potentially, our U.S. manufacturing strategy. Implementing price increases may cause our customers to find alternative sources for their products. We may be unable successfully to pass on these costs through price increases; adjust our supply chain without incurring significant costs; or locate alternative suppliers for raw materials or finished goods at acceptable costs or in a timely manner. Further, the uncertainty surrounding U.S. trade policy makes it difficult to make long-term strategic decisions regarding the best way to respond to these pressures and could also increase the volatility of currency exchange rates. Our inability to effectively manage the negative impacts of changing U.S. and foreign trade policies could materially adversely impact our consolidated financial condition and results of operations.

Currency exchange rate fluctuations may reduce operating results and shareholders' equity.

Fluctuations in currency exchange rates can cause, and have in the past caused, translation, transaction and other losses that can unpredictably and adversely affect our consolidated operating results. Our reporting currency is the U.S. dollar. However, as a result of operating globally, a portion of our consolidated net sales, costs, assets and liabilities, are denominated in currencies other than the U.S. dollar. In our consolidated financial statements, we translate the local currency financial results of our foreign operations into U.S. dollars based on their respective exchange rates. Depending on the direction, changes in those rates will either increase or decrease operating results and balances as reported in U.S. dollars. Although we monitor our exposures and, from time to time, may use forward currency contracts to hedge certain forecasted foreign currency transactions or foreign currency denominated assets and liabilities, this does not insulate us completely from foreign currency fluctuations and exposes us to counterparty risk of nonperformance.

Changes in domestic and global economic conditions may have a negative impact on our business operations and financial results.

Although our business is diversified across various markets and customers, because of the nature of our products and services, general economic downturns in the United States and globally can adversely affect our business operations and financial results. Current global economic challenges, including the difficulties of the United States and other countries in dealing with the effects of the COVID-19 pandemic, their rising debt levels, and currency fluctuations are likely to continue to put pressure on the economy, and on us. In response to the last global economic recession, extraordinary monetary policy actions of the U.S. Federal Reserve and other central banking institutions, including the utilization of quantitative easing, were taken to create and maintain a low interest rate environment. The Federal Reserve slowly began raising its benchmark interest rates over the past few years in response to an improving economy and reduced unemployment. However, as concerns grew in 2019 about a potential global slowdown in the face of unresolved trade negotiations between the United States and China, dampening business investment and slowing the manufacturing sector, the Federal Reserve began lowering rates. On March 15, 2020, at the beginning of the global coronavirus outbreak, the Federal Reserve cut interest rates even further to near 0% and kept them at that level throughout 2020 and 2021 and into January 2022. However, the Federal Reserve may begin to raise its benchmark rate again as soon as March 2022. Such an increase may, among other things, reduce the availability and/or increase the costs of obtaining new variable rate debt and refinancing existing indebtedness, and negatively impact our financial condition and results of operations. Additionally, such an increase in rates would put additional pressure on consumers and the economy in general. As evidenced in recent years, tightening of credit availability and/or financial difficulties, leading to declines in consumer and business confidence and spending, affect us, our customers, suppliers and distributors. When such conditions exist, customers may delay, decrease or cancel purchases from us, and may also delay payment or fail to pay us altogether. Suppliers may have difficulty filling our orders and distributors may have difficulty getting our products to market, which may affect our ability to meet customer demands, and result in loss of business. Weakened global economic conditions may also result in unfavorable changes in our product price/mix and lower profit margins. We have experienced most of these conditions to some extent as a result of the global economic impact of the pandemic. All of these factors may have a material adverse effect on us.

Risks Related to Manufacturing Operations

Raw materials, energy and other price increases or shortages may impact our results of operations.

As a manufacturer, our sales and profitability are dependent on the availability and cost of raw materials, labor and other inputs. Most of the raw materials we use are purchased from third parties. Principal examples are recovered paper, steel, aluminum and resin. Prices and availability of these raw materials are subject to substantial fluctuations that are beyond our control due to factors such as changing economic conditions, inflation, currency and commodity price fluctuations, tariffs, resource availability, transportation costs, weather conditions and natural disasters, political unrest and instability, such as the ongoing military conflict between Russia and Ukraine, war and other factors impacting supply and demand pressures. Increases in costs can have an adverse effect on our business and financial results. Our performance depends, in part, on our ability to pass on cost increases to our customers by raising selling prices and/or offset the impact by improving productivity. Although many of our long-term contracts and non-contractual pricing arrangements with customers permit limited price adjustments to reflect increased raw material costs, such adjustments may not occur quickly enough, or be sufficient to prevent a material and adverse effect on net income and cash flow. Furthermore, we may not be able to improve productivity or realize sufficient savings from our cost reduction initiatives to offset the impact of increased costs.

Some of our manufacturing operations require the use of substantial amounts of electricity and natural gas, which may be subject to significant price increases as the result of changes in overall supply and demand and the impacts of legislation and regulatory action. In addition, we operate manufacturing sites throughout Europe and, in many instances, continued normal operations at those sites depend on the availability of natural gas and other inputs. If the current conflict between Russia and Ukraine is not resolved, any further sanctions imposed or actions taken by the United States or other countries, and any retaliatory measures by Russia in response, could affect the price of oil and natural gas throughout the world and impact the availability of energy supplies and other inputs at our European manufacturing sites. Such a disruption in the supply of natural gas could impact our ability to continue our operations at such sites at normal levels. We forecast and monitor energy usage, and, from time to time, use commodity futures or swaps in an attempt to reduce the impact of energy price increases. However, these efforts may be insufficient to protect us against fluctuations in energy prices or shortages of natural gas and we could suffer adverse effects to net income and cash flow should we be unable to either offset or pass higher energy costs through to our customers in a timely manner or at all.

Supply shortages or disruptions in our supply chains could affect our ability to obtain timely delivery of materials, equipment and supplies from our suppliers, and, in turn, adversely affect our ability to supply products to our customers. Such disruptions could have a material adverse effect on our business and financial results.

We depend on third parties for transportation services.

We rely primarily on third parties for transportation of the products we manufacture and/or distribute, as well as for delivery of our raw materials. In particular, a significant portion of the goods we manufacture and raw materials we use are transported by railroad or trucks, which are highly regulated. If any of our third-party transportation providers were to fail to deliver the goods that we manufacture or distribute in a timely manner, we might be unable to sell those products at full value, or at all. Similarly, if any of these providers were to fail to deliver raw materials to us in a timely manner, we might be unable to manufacture our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we might be unable to replace them at reasonable cost. Any failure of a third-party transportation provider to deliver raw materials or finished products in a timely manner could harm our reputation, negatively impact our customer relationships and have a material adverse effect on our financial condition and results of operations.

We may be unable to achieve, or may be delayed in achieving, adequate returns from our efforts to optimize our operations, which could have an adverse impact on our financial condition and operating results.

We continually strive to serve our customers and increase returns to our shareholders through innovation and improved operating performance by investing in productivity improvements, manufacturing efficiencies, manufacturing cost reductions and the rationalization of our manufacturing facilities footprints. However, our operations include complex manufacturing systems as well as intricate scheduling and numerous geographic and logistical complexities, and our business initiatives are subject to significant business, economic and competitive uncertainties and contingencies. We may not meet anticipated implementation timetables or stay within budgeted costs, and we may not fully achieve expected results. These initiatives could also adversely impact customer retention or our operations. Additionally, our business strategies may change from time to time in light of our ability to implement new business initiatives, competitive pressures, economic uncertainties or developments, or other factors. A variety of risks could cause us not to realize some or all of the expected benefits of these initiatives. These risks include, among others, delays in the anticipated timing of activities related to such initiatives, strategies and operating plans; increased difficulty and costs in implementing these efforts; and the incurrence of other unexpected costs associated with operating the business. As a result, there can be no assurance that we will realize these benefits. If, for any reason, the benefits we realize are substantially less than our estimates, or the implementation of these growth initiatives and business strategies adversely affects our operations or costs significantly more or takes significantly longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

Material disruptions in our business operations could negatively affect our financial results.

Although we take measures to minimize the risks of disruption at our facilities, we from time to time encounter an unforeseen material operational disruption in one of our major facilities, which could negatively impact production and our financial results. Such a disruption could occur as a result of any number of events including but not limited to a major equipment failure, labor stoppages, transportation failures affecting the supply and shipment of materials, disruptions at our suppliers, fire, severe weather conditions, including as a result of climate change, natural disasters and disruptions in utility services. These types of disruptions could materially adversely affect our earnings to varying degrees depending upon the facility, the duration of the disruption, our ability to shift business to another facility or find alternative sources of materials or energy. Any losses due to these events may not be covered by our existing insurance policies or may be subject to certain deductibles.

Risks Related to Acquisitions, Divestitures and Joint Ventures

We may encounter difficulties in integrating acquisitions, which could have an adverse impact on our financial condition and operating results.

As noted in the risk factors above, we have invested a substantial amount of capital in acquisitions, joint ventures and strategic investments, including our recent acquisition of Ball Metalpack, and we expect that we will continue to do so in the foreseeable future. We are continually evaluating acquisitions and strategic investments that are significant to our business both in the United States and internationally. Acquisitions, joint ventures and strategic investments involve numerous risks. As has happened from time to time in the past, acquired businesses may not achieve the expected levels of revenue, profitability or productivity, or otherwise perform as expected, and acquisitions may involve significant cash expenditures, debt incurrence, operating losses, and expenses that could have a material adverse effect on our financial condition and operating results. Acquisitions also involve special risks, including, without limitation, the potential assumption of unanticipated liabilities and contingencies, and the challenges of effectively integrating acquired businesses.

Other risks and challenges associated with acquisitions, including our recent acquisition of Ball Metalpack, include, without limitation:

- substantial costs associated with negotiating and completing acquisitions;
- demands on management related to increase in size of our businesses and additional responsibilities of management;
- diversion of management's attention;
- disruptions to our ongoing businesses;
- inaccurate estimates of fair value in accounting for acquisitions and amortization of acquired intangible assets, which could reduce future reported earnings;
- difficulties in assimilation and retention of employees;
- difficulties in integration of departments, systems, technologies, books and records, controls (including internal financial and disclosure controls), procedures, and policies;
- potential loss of major customers and suppliers;
- challenges associated with operating in new geographic regions;
- difficulties in maintaining uniform standards, controls, procedures and policies;
- potential failure to identify material problems and liabilities during due diligence review of acquisition targets; and
- potential failure to obtain sufficient indemnification rights to fully offset possible liabilities associated with acquired businesses.

While management believes that acquisitions will improve our competitiveness and profitability, no assurance can be given that acquisitions, including the acquisition of Ball Metalpack, will be successful or accretive to earnings or that the expected benefits from such transactions will be realized within the anticipated time frame, or at all. If actual performance in an acquisition falls short of the projected results, or the assessment of the relevant facts and circumstances was inaccurate or changes, it is possible that a noncash impairment charge of any related goodwill would be required, and our results of operations and financial condition could be adversely affected.

We may not be able to identify suitable acquisition candidates, which could limit our potential for growth.

We have made numerous acquisitions in recent years, and expect to actively seek new acquisitions that management believes will provide meaningful opportunities for growth. However, we may not be able to identify suitable acquisition candidates or complete acquisitions on acceptable terms and conditions. Other companies in our industries have similar investment and acquisition strategies to ours, and competition for acquisitions may intensify. If we are unable to identify acquisition candidates that meet our criteria, our potential for growth may be restricted. Even if we do identify acquisition candidates that we believe meet our criteria, we may be unable to complete such acquisitions in a timely manner, on desirable terms or at all, and any acquisitions we complete may not provide the benefits that we anticipate. Our efforts to identify suitable acquisition candidates, even if successful, could also cause us to incur substantial search and transaction fees, divert the time and attention of our management, or fail to identify due diligence or other issues affecting the value and suitability of potential acquisition targets. We may also be unable to complete acquisitions that we believe would be beneficial to the Company if we are unable to satisfy related closing conditions or obtain necessary government consents. Any of these results could have a material and adverse effect on our business, results of operations, financial condition and prospects.

In connection with acquisitions, joint ventures, divestitures or other strategic transactions, we may become subject to liabilities and legal claims.

In connection with acquisitions, joint ventures, divestitures or other strategic transactions, we have in the past, and may in the future, become subject to liabilities or legal claims, including but not limited to third party liability and other tort claims; claims for breach of contract; employment-related claims; environmental, health and safety liabilities, conditions or damage; permitting, regulatory or other legal compliance issues; claims for contractual indemnification; or tax liabilities. In addition, we may assume risks and liabilities that our due diligence investigations with respect to acquisitions, joint ventures and other strategic transactions fail to identify, including issues relating to inadequate internal controls and procedures relating to accounting, finance, cybersecurity and data protection controls issues. If we become subject to any of these liabilities or claims with respect to our acquisition of Ball Metalpack or any other acquisition, joint venture, divestiture or other strategic transaction, and they are not adequately covered by insurance or an enforceable indemnity or similar agreement from a creditworthy counterparty, we may be responsible for significant out-of-pocket expenditures. Such underinsured liabilities, if they materialize, could have a material adverse effect on our business, financial condition and results of operations.

We may encounter difficulties restructuring operations or closing or disposing of facilities, assets or businesses.

We are continuously seeking more cost-effective means and structures to serve our customers and to respond to changes in our markets. Accordingly, from time to time, we have closed higher-cost facilities, sold non-core assets and businesses, and otherwise restructured operations, and are likely to do so again, in an effort to improve cost competitiveness and profitability. For example, in 2020 and 2021, we divested our global display and packaging operations in two separate transactions. As a result, restructuring and divestiture costs have been, and are expected to be, a recurring component of our operating costs, the magnitude of which could vary significantly from year to year depending on the scope of such activities. Divestitures and restructuring may result, and have in the past resulted, in significant financial charges for the write-off or impairment of assets, including goodwill and other intangible assets. Furthermore, such activities may divert the attention of management, disrupt our ordinary operations, or result in a reduction in the volume of products produced and sold, and the impact of divestitures on our revenue growth may be larger than we anticipate if we experience greater dis-synergies than we expect. In addition, in cases where we seek to divest or otherwise dispose of certain facilities, operations, assets or other components of our business, we may be unable to find buyers or alternative exit strategies on acceptable terms, in a timely manner or at all, and we may dispose of facilities, operations, assets or other components of our business at prices or on terms that are less desirable than we had anticipated. Moreover, we may be prevented from completing dispositions as a result of our or our counterparties' failure to satisfy pre-closing conditions, obtain necessary regulatory or government approvals. We may also be exposed to continuing financial risks from any businesses we divest, including as a result of continuing equity ownership, guarantees, indemnities, responsibility for environmental clean-up or other financial obligations. There is no guarantee that any such activities will achieve our goals, and if we cannot successfully manage the associated risks, our financial position and results of operations could be adversely affected.

We have investments in joint ventures that are not operated solely for our benefit.

Several of our operations are conducted through joint ventures. In joint ventures, we share ownership and, in some instances, management of a company with one or more parties who may or may not have the same goals, strategies, priorities or resources as we do. In general, joint ventures are intended to be operated for the benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information, accounting and making decisions. In certain cases, our joint venture partners must agree in order for the applicable joint venture to take certain actions, including acquisitions, the sale of assets, budget approvals, borrowing money and granting liens on joint venture property. Our inability to take unilateral action that we believe is in our best interests may have an adverse effect on the financial performance of the joint venture and the return on our investment. In joint ventures, we believe our relationship with our co-owners is an important factor to the success of the joint venture, and if a co-owner changes, our relationship may be adversely affected. In addition, the benefits from a successful joint venture are shared among the co-owners, so that we do not receive all the benefits from our successful joint ventures. Finally, we may be required on a legal or practical basis or both, to accept liability for obligations of a joint venture beyond our economic interest, including in cases where our co-owner becomes bankrupt or is otherwise unable to meet its commitments.

In addition, because we share ownership and management with our joint venture partners, we may have limited control over the actions of a joint venture, particularly when we own a minority interest. As a result, we may be unable to prevent violations of applicable laws or other misconduct by a joint venture or the failure to satisfy contractual obligations by one or more parties. Moreover, a joint venture may not follow the same requirements regarding compliance, internal controls and internal control over financial reporting that we follow. To the extent another party makes decisions that negatively impact the joint venture or internal control issues arise within the joint venture, we may have to take responsive actions, or we may be subject to penalties, fines or other punitive actions for these activities.

Risks Related to Competition, Customers and Suppliers

We face intense competition, and failure to compete effectively may have an adverse effect on our operating results.

We sell our products in highly competitive markets. We regularly bid for new and continuing business, and being a responsive, high-quality, low-cost producer is a key component of effective competition. The loss of business from our larger customers, customer changes to alternative forms of packaging, or renewal of business with less favorable terms may have a significant adverse effect on our operating results.

Continuing consolidation of our customer base and suppliers may intensify pricing pressure.

Like us, many of our larger customers have acquired companies with similar or complementary product lines, and many of our customers have been acquired. Additionally, many of our suppliers of raw materials are consolidating. This consolidation of customers and suppliers has increased the concentration of our business with our largest customers, and in some cases, increased pricing pressures. Similarly, consolidation of our larger suppliers has resulted in increased pricing pressures from our suppliers. Further consolidation of customers and suppliers could intensify pricing pressure and reduce our net sales and operating results.

The loss of a key customer, or a reduction in its production requirements, could have a significant adverse impact on our sales and profitability.

Each of our segments has large customers, and the loss of any of these could have a significant adverse effect on the segment's sales and, depending on the magnitude of the loss, our results of operations and financial condition. Although a majority of our master customer contracts are long-term, they are terminable under certain circumstances, such as our failure to meet quality, pricing, or volume requirements, and the contracts themselves often do not require a specific level of purchasing. There is no assurance that existing customer relationships will be renewed at the same level of production, or at all, at the end of the contract term. Furthermore, the loss of any of our major customers, a reduction in their purchasing levels or an adverse change in the terms of supply agreements with these customers could reduce our net sales and net income. Continued consolidation of our customers could exacerbate any such loss. For more information on concentration of sales volume in our reportable segments, see Item1(c), "Dependence on Customers."

Challenges to, or the loss of, our intellectual property rights could have an adverse impact on our ability to compete effectively.

Our ability to compete effectively depends, in part, on our ability to protect and maintain the proprietary nature of our owned and licensed intellectual property. We own a large number of patents on our products, aspects of our products, methods of use and/or methods of manufacturing, and we own, or have licenses to use, all of the material trademark and trade name rights used in connection with the packaging, marketing and distribution of our major products. We also rely on trade secrets, know-how and other unpatented proprietary technology. We attempt to protect and restrict access to our intellectual property and proprietary information by relying on the patent, trademark, copyright and trade secret laws of the U.S. and other countries, as well as non-disclosure agreements. However, it may be possible for a third party to obtain our information without our authorization, independently develop similar technologies, or breach a non-disclosure agreement entered into with us. Furthermore, many of the countries in which we operate do not have intellectual property laws that protect proprietary rights as fully as do laws in the U.S. The use of our intellectual property by someone else without our authorization could reduce or eliminate certain of our competitive advantages, cause us to lose sales or otherwise harm our business. The costs associated with protecting our intellectual property rights could also adversely impact our business.

In addition, we are from time to time subject to claims from third parties suggesting that we may be infringing on their intellectual property rights. If we were held liable for infringement, we could be required to pay damages, obtain licenses or cease making or selling certain products.

Intellectual property litigation, which could result in substantial cost to us and divert the attention of management, may be necessary to protect our trade secrets or proprietary technology or for us to defend against claimed infringement of the rights of others and to determine the scope and validity of others' proprietary rights. We may not prevail in any such litigation, and if we are unsuccessful, we may not be able to obtain any necessary licenses on reasonable terms or at all. Failure to protect our patents, trademarks and other intellectual property rights may have a material adverse effect on our business, consolidated financial condition or results of operations.

Risks Related to Our Products

We may not be able to develop new products acceptable to the market.

For many of our businesses, organic growth depends on product innovation, new product development and timely response to constantly changing consumer demands and preferences. Sales of our products and services depend heavily on the volume of sales made by our customers to consumers. Consumer preferences for products and packaging formats are constantly changing based on, among other factors, cost, convenience, and health, environmental and social concerns and perceptions. Our failure, or the failure of our customers, to develop new or better products in response to changing consumer preferences in a timely manner may hinder our growth potential and affect our competitive position, and adversely affect our business and results of operations.

Product liability claims and other legal proceedings could adversely affect our operations and financial performance.

We produce products and provide services related to other parties' products. While we have built extensive operational processes intended to ensure that the design and manufacture of our products meet rigorous quality standards, there can be no assurance that we or our customers will not experience operational process failures that could result in potential product, safety, regulatory or environmental claims and associated litigation. We are also subject to a variety of legal proceedings and legal compliance risks in our areas of operation around the globe. Any such claims, whether with or without merit, could be time consuming and expensive to defend, affect our reputation, and could divert management's attention and resources. In accordance with customary practice, we maintain insurance against some, but not all, of these potential claims; however, in the future, we may not be able to maintain such insurance at acceptable premium cost levels. In addition, the levels of insurance we maintain may not be adequate to fully cover any and all losses or liabilities. If any significant judgment or claim is not fully insured or indemnified against, it could have a material adverse impact on our business, financial condition and results of operations.

We and the industries in which we operate are at times being reviewed or investigated by regulators and other governmental authorities, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims and damages. Simply responding to actual or threatened litigation or government investigations of our compliance with regulatory standards may require significant expenditures of time and other resources. While we believe that we have adopted appropriate risk management and compliance programs, the global and diverse nature of our operations means that legal and compliance risks will continue to exist and legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time that could adversely affect our business, results of operations and financial condition.

Climate Change Related Risk

Adverse weather and climate changes may result in lower sales and/or higher costs. In addition, climate-related regulations may add cost and complexity to our operations.

We manufacture packaging products for foods as well as products used in construction and industrial manufacturing. Adverse or varying weather conditions can impact crop yields and/or harvest timing, which in turn could impact the level and/or timing of demand for our containers. In addition, poor or extreme weather conditions can temporarily impact the level of construction and industrial activity and impact the efficiency of our manufacturing operations. Weather-related events, such as hurricanes and floods, which may increase in frequency and severity due to climate change, could result in lost production, supply chain disruptions and increased material costs. Such disruptions could have, and have in the past had, a material adverse effect on our results of operations.

Regulatory responses to climate change may result in new laws and regulations intended to reduce overall greenhouse gas ("GHG") emissions. Such rules and regulations could include, among other things, cap-and-trade programs, carbon taxes, and mandates within certain industries or activities to reduce GHG emissions. In the U.S., the Environmental Protection Agency has issued a number of regulations under the Clean Air Act with the goal of reducing GHG emissions. Some of our facilities are subject to these regulations and compliance with such rules and any other regulatory responses to climate change could in the future significantly increase costs and add complexity to our operations.

Additionally, in the U.S., several states where we operate manufacturing facilities have enacted or are in the process of enacting regulations related to GHG emissions and/or implementing cap and trade programs. Our facilities currently fall outside of the scope of these regulations but may be impacted in the future. Several of our manufacturing facilities outside of the U.S. have entered into GHG emissions trading programs as a result of local regulations. Certain countries where we have manufacturing facilities have set GHG reduction targets to align with an agreement signed in April 2016 between 170 countries establishing a framework to reduce global GHG emissions (also known as the "Paris Agreement"), that became effective in November 2016 and which the United States formally rejoined in February 2021. Many of the other countries where we conduct business are expected to develop similar climate change related regulations. To the extent our facilities become subject to additional regulations related to GHG emissions in the U.S. or internationally, compliance with such regulations could significantly increase costs and add complexity to our operations, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, although we have procedures in place to monitor climate related regulatory and policy changes in the jurisdictions in which we operate and have developed processes and tools to track our GHG emissions and assess both the operational and financial impacts of climate-related regulations, any failure in such procedures and tools or other failure to comply with any such regulations and policies could subject us to additional costs and / or penalties as well as harm to our reputation.

Risks Related to Environmental, Health and Safety, and Corporate Social Responsibility Laws and Regulations

We are subject to costs and potential liabilities related to environmental, health and safety, and corporate social responsibility laws and regulations that could adversely affect our operating results.

We must comply with extensive laws, rules and regulations in the United States and in each of the countries in which we do business regarding the environment, health and safety, and corporate social responsibility. Compliance with these laws and regulations can require significant expenditures of financial and employee resources.

Federal, state, provincial, foreign and local environmental requirements, including the Comprehensive Environmental Response, Compensation and Liability Act, and particularly those relating to air, soil and water quality, handling, discharge, storage and disposal of a variety of substances, and climate change are significant factors in our business and generally increase our costs of operations. We may be found to have environmental liability for the costs of remediating soil or water that is, or was, contaminated by us or a third party at various sites that we now own, use or operate, or previously, owned, used or operated. Legal proceedings may result in the imposition of fines or penalties, as well as mandated remediation programs, that require substantial, and in some instances, unplanned capital expenditures.

We have incurred in the past, and may incur in the future, fines, penalties and legal costs relating to environmental matters, and costs relating to the damage of natural resources, lost property values and toxic tort claims. We have made expenditures to comply with environmental regulations and expect to make additional expenditures in the future. As of December 31, 2021, approximately $7.4 million was reserved for environmental liabilities. Such reserves are established when it is considered probable that we have some liability. However, because the extent of potential environmental damage, and the extent of our liability for the damage, is usually difficult to assess and may only be ascertained over a long period of time, our actual liability in such cases may end up being substantially higher than the currently reserved amount. Accordingly, additional charges could be incurred that would have a material adverse effect on our operating results and financial position.

Many of our products come into contact with the food and beverages packaged within, and therefore we are subject to risks and liabilities related to health and safety matters in connection with those products. Accordingly, our products must comply with various laws and regulations for food and beverages applicable to our customers. Changes in such laws and regulations could negatively impact customers' demand for our products as they comply with such changes and/or require us to make changes to our products. Such changes to our products could include modifications to the coatings and compounds we use, possibly resulting in the incurrence of additional costs. Additionally, because many of our products are used to package consumer goods, we are subject to a variety of risks that could influence consumer behavior and negatively impact demand for our products, including changes in consumer preferences driven by various health-related concerns and perceptions.

Disclosure regulations relating to the use of "conflict minerals" sourced from the Democratic Republic of the Congo and adjoining countries could affect the sourcing, availability and cost of materials used in the manufacture of some of our products. We also incur costs associated with supply chain due diligence, and, if applicable, potential changes to products, processes or sources of supply as a result of such due diligence. Because our supply chain is complex, we may also face reputation risk with our customers and other stakeholders if we are unable sufficiently to verify the origins of all such minerals used in our products.

Changes to laws and regulations dealing with environmental, health and safety, and corporate social responsibility issues (e.g., sustainability) are made or proposed with some frequency, and some of the proposals, if adopted, might, directly or indirectly, result in a material reduction in the operating results of one or more of our operating units. For example, we may be subject to future policy changes and regulations that discourage the use of single-use plastics and/or mandate the use of recycled content. Such regulations could both result in customers switching to other packaging formats, and therefore result in lost revenue, and result in increased costs associated with sourcing recycled resins and designing and producing products with enhanced recyclability. These or any other such policy changes or new regulations are uncertain and we cannot predict the impact on our markets or the amount of additional capital expenditures or operating expenses that could be necessary for compliance.

Risks Related to Financing Activities

We, or our customers, may not be able to obtain necessary credit or, if so, on reasonable terms.

At December 31, 2021, we had $1.1 billion of fixed-rate debt outstanding. In addition, in January 2022, in connection with our acquisition of Ball Metalpack, we issued $1.2 billion aggregate principal amount of unsecured senior notes and entered into a $300 million term loan facility. We also operate a $500 million commercial paper program, supported by a $750 million revolving credit facility committed by a syndicate of nine banks until June 2026. We have the contractual right to draw funds directly on the underlying bank credit facility, which could possibly occur if there were a disruption in the commercial paper market. However, if these obligations were not met, we may be forced to seek more costly or cumbersome forms of credit. Should such credit be unavailable for an extended time, it would significantly affect our ability to operate our business and execute our plans. In addition, our customers may experience liquidity problems as a result of a negative change in the economic environment, including the ability to obtain credit, that could limit their ability to purchase our products and services or satisfy their existing obligations.

In addition, our ability to issue commercial paper and access the credit markets, and the cost of these borrowings, is affected by the strength of our credit ratings and current market conditions. Failure to maintain credit ratings that are acceptable to investors, including as a result of increased leverage, may adversely affect the cost and other terms upon which we are able to obtain financing, as well as our access to the capital markets. Any downgrade in our credit rating could increase our cost of borrowing, which could have a material and adverse impact on our business, results of operations and financial condition, and our ability to pay dividends.

Our significant indebtedness could adversely affect our cash flow, increase our vulnerability to economic conditions, and limit or restrict our business activities.

We have incurred, and may incur in the future, significant indebtedness, including in connection with mergers or acquisitions, which may impact the manner in which we conduct business or our access to external sources of liquidity. For example, in January 2022, in connection with our acquisition of Ball Metalpack, we issued $1.2 billion aggregate principal amount of unsecured senior notes and entered into a $300 million term loan facility. In addition to interest payments, a significant portion of our cash flow may need to be used to service our indebtedness, and, therefore, may not be available for use in our business. Our ability to generate cash flow is subject to general economic, financial, competitive, legislative, regulatory, and other factors that may be beyond our control. Our indebtedness could have a significant impact on us, including, but not limited to:

- increasing our vulnerability to general adverse economic and industry conditions;

- requiring us to dedicate a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the amount of our cash flow available to fund working capital, acquisitions and capital expenditures, and for other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry;
- restricting us from making strategic acquisitions or exploiting business opportunities;
- necessitating the divestiture of certain of our assets or businesses in order to generate cash to service our indebtedness;
- limiting our ability to continue paying dividends; or
- limiting our ability to borrow additional funds.

Certain of our debt agreements impose restrictions with respect to the maintenance of financial ratios and the disposition of assets. The most restrictive covenants currently require us to maintain a minimum level of interest coverage, and a minimum level of net worth. These restrictive covenants could adversely affect our ability to engage in certain business activities that would otherwise be in our best long-term interests.

Some of our indebtedness is subject to floating interest rates, which would result in our interest expense increasing if interest rates rise.

We on occasion utilize debt instruments with a variable rate of interest, including the $300 million term loan facility we entered into in January 2022 in connection with our acquisition of Ball Metalpack. Fluctuations in interest rates can increase borrowing costs and, depending on the magnitude of variable-rate borrowings outstanding, could potentially have a material adverse effect on our business. Variable-rate borrowings at December 31, 2021 were approximately $0.5 billion.

We may incur additional debt in the future, which could increase the risks associated with our leverage.

We are continually evaluating and pursuing acquisition opportunities and, as we have in the past, we may from time to time incur additional indebtedness to finance any such acquisitions and to fund any resulting increased operating needs. As new debt is added to our current debt levels, the related risks we face could increase. While we will have to effect any new financing in compliance with the agreements governing our then existing indebtedness, changes in our debt levels and or debt structure may impact our credit rating and costs to borrow, as well as constrain our future financial flexibility in the event of a deterioration in our financial operating performance or financial condition. At December 31, 2021, scheduled debt maturities in 2022 totaled $412 million, including $349 million of outstanding commercial paper.

On January 26, 2022, the Company completed the acquisition of Ball Metalpack for $1.35 billion in cash, subject to customary adjustments, including for working capital, cash and indebtedness. The acquisition was funded in part by proceeds from the Company's $1.2 billion green bond issuance, completed on January 21, 2022, together with borrowings under a new $300 million term loan facility and commercial paper borrowings.

Risks Related to Information Technology and Cybersecurity

We rely on our information technology, and its failure or disruption could disrupt our operations and adversely affect our business, financial condition and results of operations.

We rely on the successful and uninterrupted functioning of our information technologies to securely manage operations and various business functions, and we rely on diverse technologies to process, store and report information about our business, and to interact with customers, vendors and employees around the world. As with all large environments, our information technology systems may be susceptible to damage, disruption or shutdown due to natural disaster, hardware of software failure, obsolescence, cyberattack, support infrastructure failure, user errors or malfeasance resulting in malicious or accidental destruction of information or functionality, or other catastrophic events.

From time to time, we have been, and we will likely continue to be, subject to cybersecurity-related incidents.

Information system damages, disruptions, shutdowns or compromises could result in production downtimes and operational disruptions, transaction errors, loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, reputational damage, reimbursement or compensatory payments, and other costs, any of which could have a material adverse effect on our business, financial position and results of operations. Although we attempt to mitigate these risks by employing a number of technical and process-based measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our systems, networks, products, and services remain potentially vulnerable to cyber threats. Furthermore, the tactics, techniques, and procedures used by malicious actors to obtain unauthorized access to information technology systems and networks change frequently and often are not recognizable until launched against a target. Accordingly, we may be unable to anticipate these techniques or implement adequate preventative measures. It is possible that we may in the future suffer a criminal attack whereby unauthorized parties gain access to our information technology networks and systems, including sensitive, confidential or proprietary data, and we may not be able to identify and respond to such an incident in a timely manner.

A security breach of customer, employee, supplier or company information may have a material adverse effect on our business, financial condition and results of operations.

We maintain and have access to sensitive, confidential, proprietary and personal data and information that is subject to privacy and security laws, regulations and customer controls. This data and information is subject to the risk of intrusion, tampering and theft. Although we develop and maintain systems to prevent such events from occurring, the development and maintenance of these systems is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts to protect such sensitive, confidential or personal data or information, our facilities and systems and those of our customers, suppliers and third-party service providers may be vulnerable to security breaches, misplaced or lost data, and programming and/or user errors that could lead to the compromise of sensitive, confidential, proprietary or personal data and information. Similar security threats exist with respect to the IT systems of our lenders, suppliers, consultants, advisors and other third parties with whom we conduct business. Additionally, we provide confidential, proprietary and personal information to third parties when it is necessary to pursue business objectives and there is a risk that the confidentiality of data held by third parties may be compromised.

We continue to see increased regulation of data privacy and security and the adoption of more stringent subject matter specific state laws and national laws regulating the collection and use of data, as well as security and data breach obligations – including, for example, the General Data Protection Regulation in the EU, the Cyber Security Law in China, the General Data Protection Law in Brazil, the state of California's California Consumer Privacy Act of 2018 and California Privacy Rights Act of 2020, and additional state privacy and data protection laws in Virginia and Colorado, each of which will come into full effect in 2023. It is likely that new laws and regulations will continue to be adopted in the United States and internationally, and existing laws and regulations may be interpreted in new ways that would affect our business. Although we take reasonable efforts to comply with all applicable laws and regulations, the uncertainty and changes in the requirements of multiple jurisdictions may increase the cost of compliance, reduce demand for our services, restrict our ability to offer services in certain locations, and jeopardize business transactions across borders.

As a result of potential cyber threats and existing and new data protection requirements, we have incurred and expect to continue to incur ongoing operating costs as part of our efforts to protect and safeguard our sensitive, confidential, proprietary and personal data and information, and the sensitive, confidential, proprietary and personal data and information of our customers, suppliers and third-party service providers. These efforts also may divert management and employee attention from other business and growth initiatives. Failure to provide adequate privacy protections and maintain compliance with the new data privacy laws could result in interruptions or damage to our operations, legal or reputational risks, create liabilities for us, subject us to sanctions by national data protection regulators and result in significant penalties, and increase our cost of doing business, all of which could have a material and adverse impact on our business, financial condition and results of operations.

Risks Related to Accounting, Human Resources, Financial and Business Matters and Taxation

Changes in pension plan assets or liabilities may reduce our operating results and shareholders' equity.

We sponsor various defined benefit plans worldwide, and have an aggregate projected benefit obligation for these plans of approximately $0.5 billion as of December 31, 2021. The difference between defined benefit plan obligations and assets (the funded status of the plans) significantly affects the net periodic benefit costs and the ongoing funding requirements of the plans. Among other factors, changes in discount rates and lower-than-expected investment returns could substantially increase our future plan funding requirements and have a negative impact on our results of operations and cash flows. As of December 31, 2021, these plans hold a total of approximately $0.4 billion in assets consisting primarily of mutual funds and fixed income securities, funding a portion of the projected benefit obligations of the plans. If the performance of these assets does not meet our assumptions, or discount rates decline, the net underfunding of the plans may increase and we may be required to contribute additional funds to these plans, and our pension expense may increase, which could adversely affect operating results and shareholders' equity.

Our largest pension plan, the Sonoco Pension Plan for Inactive Participants (the "Inactive Plan"), was terminated effective September 30, 2019. Following completion of a limited lump sum offering in April 2021, all remaining liabilities under the Inactive Plan were settled in June 2021 through the purchase of annuities. We made additional net contributions of $124 million to the Inactive Plan in 2021 in order to be fully funded on a termination basis at the time of the annuity purchase and recognized non-cash, pretax settlement charges totaling $539 million as the lump sum payouts and annuity purchases were made.

Our ability to attract, develop and retain talented executives, managers and employees is critical to our success.

Our ability to attract, develop and retain talented employees, including executives and other key managers, is important to our business. The experience and industry contacts of our management team and other key personnel significantly benefit us, and we need expertise like theirs to carry out our business strategies and plans. We also rely on the specialized knowledge and experience of certain key technical employees. The loss of these key officers and employees, or the failure to attract and develop talented new executives, managers and employees, could have a material and adverse effect on our business. Effective succession planning is also important to our long-term success, and failure to ensure effective transfer of knowledge and smooth transitions involving key officers and employees could hinder our strategic planning and execution.

Changes in U.S. generally accepted accounting principles (U.S. GAAP) and SEC rules and regulations could materially impact our reported results.

U.S. GAAP and SEC accounting and reporting changes are common and have become more frequent and significant in the past several years. These changes could have significant effects on our reported results when compared to prior periods and to other companies, and may even require us to retrospectively revise prior periods from time to time. Additionally, material changes to the presentation of transactions in the consolidated financial statements could impact key ratios that analysts and credit rating agencies use to rate our company, increase our cost of borrowing, and ultimately our ability to access the credit markets in an efficient manner.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our consolidated financial statements in accordance with U.S. GAAP, we make estimates and assumptions that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made due to certain information used in the preparation of our financial statements that is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. We believe that accounting for long-lived assets, pension benefit plans, contingencies and litigation, and income taxes involves the more significant judgments and estimates used in the preparation of our consolidated financial statements. Actual results for all estimates could differ materially from the estimates and assumptions that we use, which could have a material adverse effect on our financial condition and results of operations.

We have a significant amount of goodwill and other intangible assets, and a write down would negatively impact our operating results and shareholders' equity.

At December 31, 2021, the carrying value of our goodwill and intangible assets was approximately $1.6 billion. We are required to evaluate our goodwill amounts annually, or more frequently when evidence of potential impairment exists. The impairment test requires us to analyze a number of factors and make estimates that require judgment. As a result of this testing, we have in the past recognized goodwill impairment charges, and we have identified one reporting unit that is currently at risk of a significant future impairment charge if actual results fall short of expectations. Future changes in the cost of capital, expected cash flows, changes in our business strategy, and external market conditions, among other factors, could require us to record an impairment charge for goodwill, which could lead to decreased assets and reduced net income. If a significant write down were required, the charge could have a material adverse effect on our operating results and shareholders' equity.

Full realization of our deferred tax assets may be affected by a number of factors.

We have deferred tax assets, including U.S. and foreign operating loss carryforwards, capital loss carryforwards, employee and retiree benefit items, foreign tax credits, and other accruals not yet deductible for tax purposes. We have established valuation allowances to reduce those deferred tax assets to an amount that we believe is more likely than not to be realized prior to expiration of such deferred tax assets. Our ability to use these deferred tax assets depends in part upon our having future taxable income during the periods in which these temporary differences reverse or our ability to carry back any losses created by the deduction of these temporary differences. We expect to realize these assets over an extended period. However, if we were unable to generate sufficient future taxable income in the U.S. and certain foreign jurisdictions, or if there were a significant change in the time period within which the underlying temporary differences became taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets, which would increase our effective tax rate which could have a material adverse effect on our reported results of operations.

Our annual effective tax rate and the amount of taxes we pay can change materially as a result of changes in U.S. and foreign tax laws, changes in the mix of our U.S. and foreign earnings, adjustments to our estimates for the potential outcome of any uncertain tax issues, and audits by federal, state and foreign tax authorities.

As a large multinational corporation, we are subject to U.S. federal, state and local, and many foreign tax laws and regulations, all of which are complex and subject to significant change and varying interpretations. Changes in these laws or regulations, or any change in the position of taxing authorities regarding their application, administration or interpretation, could have a material adverse effect on our business, consolidated financial condition or results of our operations. For example, in the U.S., the Biden administration has proposed several corporate tax increases, including raising the U.S. corporate income tax rate and greater taxation of international income, which, if enacted, could materially and adversely affect our tax liability. In addition, our products, and our customers' products, are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions in which we operate. Increases in these indirect taxes could affect the affordability of our products and our customers' products, and, therefore, reduce demand.

Recently, international tax norms governing each country's jurisdiction to tax cross-border international trade have evolved, and are expected to continue to evolve, due in part to the Base Erosion and Profit Shifting project led by the Organization for Economic Cooperation and Development (the "OECD"), an international association of 36 countries including the United States, and supported by the G20. Changes in these laws and regulations, or any change in the position of tax authorities regarding their application, administration or interpretation could adversely affect our financial results. In addition, a number of countries are actively pursuing changes to their tax laws applicable to multinational corporations.

Due to widely varying tax rates in the taxing jurisdictions applicable to our business, a change in income generation to higher taxing jurisdictions or away from lower taxing jurisdictions may also have an adverse effect on our financial condition and results of operations.

We make estimates of the potential outcome of uncertain tax issues based on our assessment of relevant risks and facts and circumstances existing at the time, and we use these assessments to determine the adequacy of our provision for income taxes and other tax-related accounts. These estimates are highly judgmental. Although we believe we adequately provide for any reasonably foreseeable outcome related to these matters, future results may include favorable or unfavorable adjustments to estimated tax liabilities, which may cause our effective tax rate to fluctuate significantly.

In addition, our income tax returns are subject to regular examination by domestic and foreign tax authorities. These taxing authorities may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material adverse effect on our business, consolidated financial condition or results of our operations. Furthermore, regardless of whether any such challenge is resolved in our favor, the final resolution of such matter could be expensive and time consuming to defend and/or settle. Future changes in tax law could significantly impact our provision for income taxes, the amount of taxes payable, and our deferred tax asset and liability balances.

If we fail to continue to maintain effective internal control over financial reporting at a reasonable assurance level, we may not be able to accurately report our financial results, and may be required to restate previously published financial information, which could have a material adverse effect on our operations, investor confidence in our business and the trading prices of our securities.

Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. We are required to assess the effectiveness of our internal control over financial reporting annually, as required by Section 404 of the Sarbanes-Oxley Act. We need to maintain our processes and systems and adapt them as our business grows and changes. This continuous process of maintaining and adapting our internal controls and complying with Section 404 is expensive, time-consuming and requires significant management attention. As we grow our businesses and acquire other businesses, our internal controls will become increasingly complex and we may require significantly more resources. The integration of acquired businesses, including Ball Metalpack, into our internal control over financial reporting has required, and will continue to require, significant time and resources from our management and other personnel and will increase our compliance costs. Additionally, maintaining effectiveness of our internal control over financial reporting is made more challenging by the fact that we have approximately 180 subsidiaries and joint ventures in 32 countries around the world. There is no assurance that, in the future, material weaknesses will not be identified that would cause management to change its current conclusion as to the effectiveness of our internal controls. If we fail to maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we could be subject to regulatory scrutiny, civil or criminal penalties or litigation. In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect our financial condition, and we may be required to restate previously published financial information, which could have a material adverse effect on our operations, investor confidence in our business and the trading prices of our securities.

Risks Related to COVID-19

The direct and indirect results of the COVID-19 pandemic may adversely affect our operations, results of our operations and our financial condition.

Globally, the impact of the COVID-19 pandemic continues to evolve. Our operations and financial performance have continued to be negatively impacted to varying degrees during 2021. For example, consumer demand for certain food and household products retreated from the elevated levels of 2020 as the pantry stocking and panic buying phenomenon experienced in 2020 normalized in 2021. In addition, the supply chain constraints and labor shortages that were seen throughout the economy contributed to a negative price/cost relationship in 2021.

We expect that the future impact of COVID-19 on our operational and financial performance will depend on the behavior of the virus and the world's reaction to it, which are highly uncertain and cannot be predicted. New variants such as Delta, Omicron, and others have caused and have the potential to cause further outbreak and economic disruption. Additionally, the effectiveness of vaccines and containment measures to mitigate the impacts of the virus on people's health and the economy could diminish resulting in decreased demand for our products and/or disruption to our operations. Recent indications of a resurgence of the virus in certain regions and the emergence of variants of the virus for which existing vaccines could be less effective have raised concerns about the re-imposition of local restrictions on business activity and a negative effect on consumer behavior that alone, or together, could impede the Company's business.

We have experienced, and may experience in the future, lower overall demand for certain of our products due to economic uncertainty and changing consumer behaviors driven by COVID-19 or reduced demand due to our customers' supply chain issues. We have, and may continue to, experience strong headwinds related to higher supply chain costs and tight labor market due to the continued impacts of COVID-19. Inflation continues, and may continue in the future, to be rampant resulting in higher commodity and other input costs. Our production capabilities may be disrupted if we are unable to secure sufficient supplies of raw materials, if significant portions of our workforce are unable to work effectively, including because of illness, government actions or other restrictions, or if we have periods of disruptions due to deep cleaning and sanitizing our facilities. An extended period of disruption to our served markets or global supply chains could materially and adversely affect our results of operations, access to sources of liquidity and overall financial condition. In addition, an extended global recession caused by the pandemic would have an adverse impact on the Company's operations and financial condition.

On September 9, 2021, the Biden Administration announced a plan directing the Occupational Safety and Health Administration ("OSHA") to issue an emergency temporary standard ("ETS") requiring all private employers with 100 or more workers to mandate COVID-19 vaccinations or a weekly test for all employees. The ETS was issued on November 5, 2021. However, on January 13, 2022, the United States Supreme Court blocked the OSHA ETS from going into effect. There may be additional action required or enforcement on the part of OSHA as it relates to vaccination or testing policies. Although we cannot currently assess the impact of such potential future enforcement action by OSHA, such regulations or similar regulations in other jurisdictions could have a material and adverse effect on our results of operations, financial condition or cash flows.

Item 1B. Unresolved Staff Comments

There are no unresolved written comments from the SEC staff regarding the Company's periodic or current Exchange Act reports.

Item 2. Properties

The Company's corporate offices are owned and operated in Hartsville, South Carolina. There are approximately 300 owned and leased facilities used by the Company in 32 countries around the world. The majority of these facilities are located in North America. The most significant foreign geographic region in which the Company operates is Europe, followed by Asia.

The Company believes that its facilities have been well maintained, are generally in good condition and are suitable for the conduct of its business. The Company does not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

Item 3. Legal Proceedings

The Company has been named as a potentially responsible party (PRP) at several environmentally contaminated sites not owned by the Company. All of the sites are also the responsibility of other parties. The Company's liability, if any, is shared with such other parties, but the Company's share has not been finally determined in most cases. In some cases, the Company has cost-sharing agreements with other PRPs relating to the sharing of legal defense costs and cleanup costs for a particular site. The Company has assumed, for accrual purposes, that the other parties to these cost-sharing agreements will perform as agreed. Final resolution of some of the sites is years away, and actual costs to be incurred for these matters in future periods is likely to vary from current estimates because of the inherent uncertainties in evaluating environmental exposures. Accordingly, the ultimate cost to the Company with respect to such sites, beyond what has been accrued as of December 31, 2021, cannot be determined.

As of December 31, 2021 and 2020, the Company had accrued $7.4 million and $8.1 million, respectively, related to environmental contingencies. The Company periodically reevaluates the assumptions used in determining the appropriate reserves for environmental matters as additional information becomes available and makes appropriate adjustments when warranted.

For further information about legal proceedings, see Note 16 to the Company's Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K.

Other Legal Matters

Additional information regarding legal proceedings is provided in Note 16 to the Consolidated Financial Statements of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

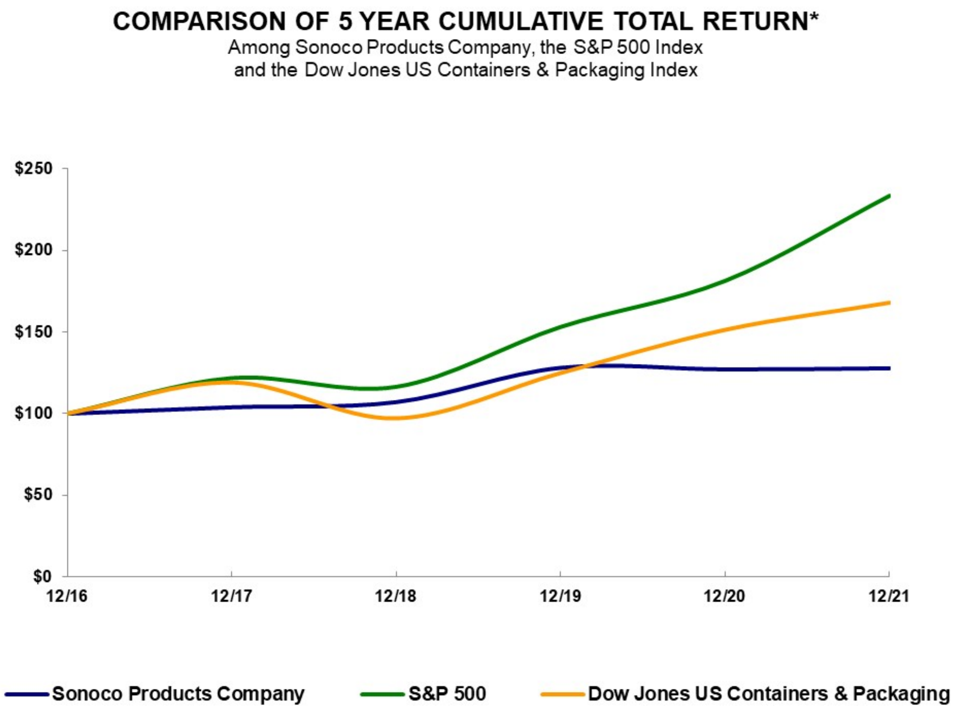
Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company’s common stock is traded on the New York Stock Exchange under the stock symbol “SON.” As of December 31, 2021, there were approximately 79,000 shareholder accounts. Information required by Item 201(d) of Regulation S-K can be found in Part III, Item 12 of this Annual Report on Form 10-K.

Although the ultimate determination of whether to pay dividends is within the sole discretion of the Board of Directors and is based on a variety of factors, the Company currently plans to continue paying dividends consistent with historical practice as earnings and the Company's liquidity permit. Dividends per common share were $1.80 in 2021, $1.72 in 2020 and $1.70 in 2019. On February 9, 2022, the Company declared a regular quarterly dividend of $0.45 per common share payable on March 10, 2022, to shareholders of record on February 23, 2022.



*$100 invested on 12/31/16 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	12/16	12/17	12/18	12/19	12/20	12/21
Sonoco Products Company	$100.00	$103.92	$107.11	$128.02	$127.04	$127.71
S&P 500	$100.00	$121.83	$116.49	$153.17	$181.35	$233.41
Dow Jones US Containers & Packaging	$100.00	$119.02	$97.06	$124.80	$151.18	$167.76

The Company made the following purchases of its securities during the fourth quarter of 2021:

Issuer purchases of equity securities

Period	*(a) Total Number of Shares Purchased[1]*	*(b) Average Price Paid per Share*	*(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs*	*(d) Maximum Number or Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs[1]*
10/04/21 - 11/07/21	558,683	$58.81	558,683	$ 163,529,035
11/08/21 - 12/05/21	417,508	$61.21	417,508	$ 137,971,853
12/06/21 - 12/31/21	—	$—	—	$ 137,971,853
Total	976,191	$59.84	976,191	$ 137,971,853

[1] On April 20, 2021, the Company's Board of Directors authorized the repurchase of the Company's common stock in an aggregate amount of up to $350.0 million. On October 25, 2021, the Company entered into a Rule 10b5-1 Repurchase Plan (“Repurchase Plan") with a financial institution to repurchase outstanding shares of the Company's common stock pursuant to its Board authorized repurchase program. The Company repurchased and retired 976,191 shares for $58.4 million during the fourth quarter of 2021 prior to the termination of the Repurchase Plan's trading period on November 23, 2021.

The Company did not make any unregistered sales of its securities during 2021.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements, including, without limitation, statements relating to the Company's plans, strategies, objectives, expectations, intentions and resources. Such forward-looking statements should be read in conjunction with our disclosures under "Forward-Looking Statements" and under “Item 1A. Risk Factors” of this Form 10-K.

This section of this Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2020 items and year-to-year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in “Management's Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

General Overview

Sonoco is a leading provider of consumer packaging, industrial products and protective packaging with approximately 300 locations in 32 countries. As previously disclosed, Sonoco changed its operating and reporting structure in January 2021 and, as a result, realigned certain of its reportable segments effective January 1, 2021. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other. The Company's former Protective Solutions and Display and Packaging segments were eliminated and the underlying businesses and their results were grouped into All Other or, in certain cases, subsumed into the remaining two segments. Changes to the Consumer Packaging segment include moving the Plastics - Healthcare Packaging and Industrial Plastics business units to All Other. The Industrial Paper Packaging segment, previously called Paper and Industrial Converted Products, remains unchanged except that it now includes the Company's fiber protective packaging business unit which was previously included in the Protective Solutions segment. All Other includes our healthcare and protective packaging businesses, including Plastics - Healthcare, Sonoco ThermoSafe, consumer and automotive molded foam, retail security packaging, and paper amenities. Prior to the divestiture of the Company's global display and packaging operations in two separate transactions, the European contract packaging business on November 30, 2020 and the U.S. display and packaging business on April 4, 2021, these businesses were also included in All Other.

Generally, the Company serves two broad end-use markets, consumer and industrial, which, period to period, can exhibit different economic characteristics from each other. Geographically, in 2021 approximately 65% of sales were generated in the United States, 17% in Europe, 7% in Asia, 4% in Canada and 7% in other regions.

The Company is a market-share leader in many of its product lines, particularly in uncoated recycled paperboard, tubes, cores, cones and composite containers. Competition in most of the Company’s businesses is intense. Demand for the Company’s products and services is primarily driven by the overall level of consumer consumption of non-durable goods; however, certain product and service groups are tied more directly to durable goods, such as appliances, automobiles and construction. The businesses that supply and/or service consumer product companies have tended to be, on a relative basis, less impacted by economic downturns than those that service industrial markets.

The primary objective of the Company’s enterprise strategy is to be the benchmark company for yield and stability in the packaging industry. Financially, the Company’s key objectives are to grow annual base operating profit and to increase returns to shareholders over the long-term. Base operating profit is a non-GAAP financial measure reflecting adjustments to the reported GAAP operating profit for certain items. For an explanation of how and why the Company uses such non-GAAP financial measures, and the types of adjustments made, see "Use of Non-GAAP Financial Measures" below. The Company intends to deliver on these objectives by focusing its capital allocation strategy on increased internal investment into its core Consumer and Industrial businesses and by consolidating around a uniform operating model to expand the Company’s competitive advantages while simplifying its structure to improve efficiency and effectiveness.

Key focus areas for the Company's operating strategy include:

> Being strategic with capital investments while maintaining a strong balance sheet
> Expanding sustainability excellence
> Expanding operational excellence
> Expanding commercial excellence
> Expanding supply chain excellence
> Executing structural transformation.

COVID-19

Impact on Operating Results

While the social distancing response to COVID-19 has resulted in increased consumer demand for certain food and household products, COVID-19 had an overall negative impact on results in 2021 but to a much lesser extent than 2020. Consumer demand for certain food and household products retreated from the elevated levels of 2020 as the pantry stocking and panic buying phenomenon experienced in 2020 normalized in 2021. This retreat in the Consumer Packaging segment was more than offset by a return to pre-pandemic volume levels in our Industrial Paper Packaging segment. However, the supply chain constraints and labor shortages that were seen throughout the economy contributed to a negative price/cost relationship.

As the pandemic wanes, the Company expects sales volume, excluding acquisitions, to modestly increase. Sales volume of at-home food packaging is expected to continue to normalize while demand in other consumer market segments picks up. Volume in our Industrial Paper Packaging businesses as well as All Other is expected to improve. The Company expects COVID-19 induced and other inflationary pressures to flatten out in 2022 and for selling prices to improve resulting in a favorable price/cost relationship.

Financial Flexibility and Liquidity

Sonoco has maintained a strong balance sheet and substantial liquidity in the form of cash, cash equivalents and revolving credit facilities, as well as the ability to issue commercial paper and to access liquidity in the banking and debt capital markets. The following actions taken in 2021 largely related to the Company's efforts to reposition its cash balances and debt portfolio in anticipation of a waning of the COVID-19 pandemic:

- On April 5, 2021, the Company received cash proceeds totaling $79.7 million from the sale of its U.S. display and packaging business.
- On May 10, 2021, the Company paid $150 million in connection with an accelerated share repurchase agreement to repurchase shares of its common stock.
- On May 25, 2021, the Company repurchased $63.2 million of its outstanding 5.75% notes, due November 2040, for a total cash cost of $82.0 million.
- On May 25, 2021, upon maturity, the Company paid $177.8 million to retire its 1% Euro loan.
- On June 30, 2021, the Company entered into a new five-year $750 million, unsecured revolving credit facility which replaced an existing $500 million facility. Consistent with prior facilities, the new revolving credit facility supports the Company's $500 million commercial paper program.
- On August 1, 2021, the Company repaid its $250 million, 4.375% debentures without penalty ahead of their November 2021 maturity.

Following the actions above, at December 31, 2021, the Company had approximately $171 million in cash and cash equivalents on hand and $750 million in committed availability under its revolving credit facility, of which $401 million was available for draw down net of $349 million of outstanding commercial paper. At December 31, 2021, scheduled debt maturities in 2022 totaled approximately $412 million, including outstanding commercial paper. The Company believes cash on hand and available credit, combined with expected net cash flows generated from operating and investing activities, will provide sufficient liquidity to cover these and other cash flow needs of the Company over the course of 2022 and beyond. For additional information concerning the Company's liquidity, including debt transactions occurring subsequent to December 31, 2021, see "Capital Resources" in this Form 10-K.

Health, Safety and Business Continuity

The health and safety of Sonoco's associates, contractors, suppliers and the general public are a top priority. Included among the safety measures the Company implemented in consideration of COVID-19 are: conducting health screenings for personnel entering our operations, routinely cleaning high-touch surfaces, following social distancing protocols, prohibiting all non-critical business travel, and encouraging all associates who can to work from home when possible. Additionally, the Company maintains an internal site dedicated to the communication of COVID-related guidance and policies to our employees around the world.

Sonoco also has a Global Task Force to develop and implement business continuity plans to ensure its operations are as prepared as possible to be able to continue producing and shipping product to its customers without disruption. Sonoco has a diverse global supply chain and to date has not experienced significant raw material or other supply disruptions.

Use of Non-GAAP Financial Measures

To assess and communicate the financial performance of the Company, Sonoco management uses, both internally and externally, certain financial performance measures that are not in conformity with generally accepted accounting principles ("non-GAAP" financial measures). These non-GAAP financial measures reflect the Company's GAAP operating results adjusted to remove amounts, including the associated tax effects, relating to restructuring initiatives, asset impairment charges, environmental charges, acquisition/divestiture-related costs, gains or losses from the divestiture of businesses, early extinguishment of debt, property insurance recoveries in excess of recorded losses, non-operating pension costs, certain income tax events and adjustments, and other items, if any, the exclusion of which management believes improves the period-to-period comparability and analysis of the underlying financial performance of the business. The adjusted non-GAAP results are identified using the term "base," for example, "base earnings." Starting in the first quarter of 2022 and going forward, the Company will also include adjustments in these non-GAAP financial measures to exclude amortization expense on acquisition intangibles. This change is being made to better align the Company's definition of base earnings with those of its peers, better reflect the Company's operating performance, and increase the usefulness of such measures to the investing community.

The Company's base financial performance measures are not in accordance with, nor an alternative for, measures conforming to generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Sonoco continues to provide all information required by GAAP, but it believes that evaluating its ongoing operating results may not be as useful if an investor or other user is limited to reviewing only GAAP financial measures. The Company consistently applies its non-GAAP "base" performance measures presented herein and uses them for internal planning and forecasting purposes, to evaluate its ongoing operations, and to evaluate the ultimate performance of management and each business unit against plan/forecast all the way up through the evaluation of the Chief Executive Officer's performance by the Board of Directors. In addition, these same non-GAAP measures are used in determining incentive compensation for the entire management team and in providing earnings guidance to the investing community.

Sonoco management does not, nor does it suggest that investors should, consider these non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Sonoco presents these non-GAAP financial measures to provide users information to evaluate Sonoco's operating results in a manner similar to how management evaluates business performance. Material limitations associated with the use of such measures are that they do not reflect all period costs included in operating expenses and may not reflect financial results that are comparable to financial results of other companies that present similar costs differently. Furthermore, the calculations of these non-GAAP measures are based on subjective determinations of management regarding the nature and classification of events and circumstances that the investor may find material and view differently. To compensate for these limitations, management believes that it is useful in understanding and analyzing the results of the business to review both GAAP information which includes all of the items impacting financial results and the non-GAAP measures that exclude certain elements, as described above.

Restructuring and restructuring-related asset impairment charges are a recurring item as Sonoco's restructuring programs usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. Similarly, non-operating pension expense is a recurring item. However, this expense is subject to significant fluctuations from period to period due to changes in actuarial assumptions, global financial markets (including stock market returns and interest rate changes), plan changes, settlements, curtailments, and other changes in facts and circumstances.

Reconciliations of GAAP to base results are presented on pages 25 and 26 in conjunction with management's discussion and analysis of the Company's results of operations. Whenever reviewing a non-GAAP financial measure, readers are encouraged to review the related reconciliation to fully understand how it differs from the related GAAP measure. Reconciliations are not provided for non-GAAP measures related to future years due to the likely occurrence of one or more of the following, the timing and magnitude of which management is unable to reliably forecast: possible gains or losses on the sale of businesses or other assets, restructuring costs and restructuring-related asset impairment charges, acquisition/divestiture-related costs, and the tax effect of these items and/or other income tax-related events. These items could have a significant impact on the Company's future GAAP financial results.

2021 Overview

Management's primary focus areas in 2021 were managing through challenges of the COVID-19 pandemic, generating profitable growth, improving margins, and enhancing the Company's sustainability. Overall, management was expecting relatively flat net sales. Divestitures and acquisitions were expected to have a net negative impact as sales lost due to the divestiture of the Company's European contract packaging business were expected to be greater than the full-year impact of sales added by 2020 acquisitions. This net sales decrease was expected to be mostly offset by an organic volume increase of approximately 2.0%. Overall, the Company anticipated a negative price/cost relationship as the prices of key raw materials, such as recycled fiber and plastic resins, and freight costs were expected to rise. Manufacturing and other productivity gains were expected to offset a significant portion of the negative price/cost impact and projected increases in labor and other costs. The Company expected modest gross profit margin improvement while base operating profit as a percent of sales was expected to remain flat.

In line with expectations, divestitures, net of acquisitions, decreased sales by $337.2 million. However, the Company exceeded its organic growth projection which, adjusted for the disposition of the global display and packaging business, was 2.9%. This growth combined with increased selling prices, mostly implemented to recover rising raw material and other costs, led to an overall sales increase of 6.7%.

GAAP operating profit increased $129.0 million from 2020 largely driven by lower restructuring and asset impairment charges as well as a non-recurring loss on the 2020 sale of the Company's European contract packaging business. In 2021, the Company recorded after-tax asset impairment and restructuring charges of $8.8 million compared to $112.7 million in 2020. The 2020 charges were largely attributable to its Plastics - Food thermoforming operations on the west coast of the United States and in Mexico. Despite the increase in GAAP operating profit, total segment operating profit (referred to as base operating profit) decreased 2.2%. This decline was driven by a negative price/cost environment, increases in labor and other costs, and the negative impact of divestitures (net of acquisitions). These negative factors were only partially offset by productivity improvements and higher volumes.

Gross profit in 2021 was $1,061.9 million, compared with $1,046.3 million in 2020. Despite the small increase, gross profit as a percentage of sales declined to 19.0%, compared to 20.0% in 2020. This margin percentage reduction was the result of a negative price cost environment as the Company was unable to fully recover rising material and other operating costs. GAAP selling, general and administrative (SG&A) expenses increased $29.7 million driven by more-normalized expenses for medical benefits, strategic information technology activity, and higher acquisition and divestiture transaction costs. Despite this increase, SG&A expenses as a percentage of sales were flat in 2021 compared to 2020.

Pursuant to a resolution approved by the Company's Board of Directors, the Sonoco Pension Plan for Inactive Participants (the "Inactive Plan") was terminated effective September 30, 2019. Following completion of a limited lump-sum offering in April 2021, the Company settled all remaining liabilities under the Inactive Plan through the purchases of annuities in June 2021. The Company made additional contributions to the Inactive Plan totaling approximately $124 million in 2021 in order to be fully funded on a termination basis at the time of the annuity purchase.

Excluding settlement charges of $550.7 million, the Company recorded 2021 pension and postretirement benefit expenses of approximately $44.9 million, compared with $58.0 million during 2020. The decreased expense was primarily the result of recognizing only a partial year of expenses for the Inactive Plan due to its settlement in June 2021. The aggregate net unfunded position of the Company's various defined benefit plans decreased to $97 million at the end of 2021 compared with $294 million at the end of 2020. This decrease reflects current-year contributions and investment returns as well as lower plan liabilities resulting from higher year-over-year discount rates.

Net (loss)/income attributable to Sonoco (GAAP earnings) was $(85.5) million for the year ended December 31, 2021, compared with $207.5 million for the year ended December 31, 2020, a year-over-year decrease of $(292.9) million, reflecting the above-mentioned pension settlement charges in 2021. GAAP earnings represented (1.5)% of sales in 2021 compared to 4.0% of sales in 2020.

Although base operating profit declined somewhat, base earnings attributable to Sonoco increased 3.0%, or $10.2 million, year over year, reflecting lower net interest expense and a lower effective base income tax rate.

The effective tax rate on GAAP earnings was 41.9%, compared with 20.7% in 2020, and the effective tax rate on base earnings was 23.6%, compared with 25.1% in 2020. The higher 2021 GAAP effective tax rate primarily resulted from a combination of the regular tax benefit recognized on the Company's reported pretax loss together with a discrete tax benefit from the realization of additional foreign tax credits generated by an amendment of the Company's 2017 US income tax return.

During 2021, the Company made significant progress on Project Horizon, a $125 million project to transform the corrugated medium machine in Hartsville, South Carolina, to produce uncoated recycled paperboard ("URB"). Project Horizon also includes a new finished goods warehouse on the Hartsville campus as well as other infrastructure improvements to the Hartsville paper manufacturing complex. Project Horizon began in the last half of 2020 and is expected to be completed in the third quarter of 2022. The new URB machine is being designed with the goal of being the largest and lowest-cost producer of URB in the world, with a targeted annual production capacity of 180,000 tons, and capable of producing a wide range of high-value paper grades to service the Company's Industrial Paper Packaging businesses and external trade customers. Project Horizon is expected to drive significant annualized cost savings beginning in 2023.

On April 4, 2021, the Company completed the sale of its U.S. display and packaging business, part of the All Other group of businesses, to Hood Container Corporation for $80.0 million in cash. This business provided design, manufacturing and fulfillment of point-of-purchase displays, as well as contract packaging services, for consumer product customers and had approximately 450 employees. Its operations included eight manufacturing and fulfillment facilities and four sales and design centers.

On December 19, 2021, the Company entered into a definitive agreement to acquire Ball Metalpack Holding, LLC ("Ball Metalpack"), a leading manufacturer of sustainable metal packaging for food and household products and the largest aerosol can producer in North America, for $1.35 billion in cash subject to customary adjustments, including for working capital, cash and indebtedness. Ball Metalpack was formed in 2018 and consists of eight manufacturing plants in the United States, and is headquartered in Broomfield, Colorado. This acquisition fits the Company's strategy of investing in its core businesses as it complements our largest Consumer Packaging franchise – global rigid paper packaging. In addition, it further expands the Company's sustainable packaging portfolio with metal packaging. The acquisition of Ball Metalpack was completed on January 26, 2022. See Note 20 to the Consolidated Financial Statements for additional information.

The Company generated $298.7 million in cash from operations during 2021, compared with $705.6 million in 2020. The primary drivers of the decrease were the cash contributions to the Inactive Plan in 2021 to fully fund the plan prior to its settlement, and higher levels of working capital driven by increased business activity, inflation, and supply chain dynamics that affected customer demand and resulted in fluctuating inventory levels. Cash generated from operations also declined due to the payment of a portion of social security taxes previously deferred pursuant to the CARES Act and increased cash paid for taxes as the tax benefit from the 2021 funding of the Inactive Plan was deducted on the Company's 2020 tax return.

Acquisitions and Divestitures

Acquisitions

The Company completed four acquisitions during 2021 at a net cash cost of $20.7 million. On December 30, 2021, the Company completed the acquisition of a recycling facility from American Recycling of Western North Carolina, LLC, a privately held company, for total cash consideration of $6.3 million. The facility, located in Asheville, North Carolina, primarily services western North Carolina and upstate South Carolina for the processing of recycled materials. On November 8, 2021, the Company completed the acquisition of D&W Paper Tube Inc., a privately owned manufacturer of paper tubes and cardboard cores, serving the carpet and textile industries and consisting of two manufacturing facilities in Chatsworth, Georgia, for total cash consideration of $12.8 million. On August 3, 2021, the Company completed the acquisition of Allied Packaging, a privately owned manufacturer of paper packaging and related manufacturing equipment, consisting of a single manufacturing facility in Sydney, Australia, for total cash consideration of $0.8 million, and on March 8, 2021, the Company completed the acquisition of TuboTec, a small tube and core operation in Brazil, for total cash consideration of $0.8 million. The financial results of all these acquired operations are included in the Company's Industrial Paper Packaging segment from the date acquired.

As discussed above, on December 19, 2021, the Company entered into a definitive agreement to acquire Ball Metalpack. The acquisition of Ball Metalpack was completed on January 26, 2022. See Note 20 to the Consolidated Financial Statements for further information about this acquisition and other subsequent events.

Divestitures

On September 30, 2021, the Company completed the sale of its Plastics - Food thermoforming operation in Wilson, North Carolina to Placon for net cash proceeds of $3.5 million, resulting in the recognition of a gain on the sale of $0.1 million, before tax.

On April 4, 2021, the Company completed the divestiture of its U.S. display and packaging business, part of the All Other group of businesses, to Hood Container Corporation for $80 million in cash. This business provided design, manufacturing and fulfillment of point-of-purchase displays, as well as contract packaging services, for consumer product customers and had approximately 450 employees. Its operations included eight manufacturing and fulfillment facilities and four sales and design centers. Net cash proceeds of $79.7 million were received on April 5, 2021. The final working capital settlement occurred in the third quarter of 2021 with the Company receiving additional cash proceeds of $2.0 million and the buyer assuming certain liabilities totaling $0.8 million. As a result, the Company recognized a net loss on the sale of the U.S. display and packaging business totaling $2.8 million, before tax.

The divestiture of the U.S. display and packaging business was preceded by the November 30, 2020 divestiture of the Company's European display and packaging business. The decision to sell its global display and packaging businesses was part of the Company's efforts to simplify its operating structure to focus on growing its core Consumer and Industrial packaging businesses around the world. These sales are not expected to notably affect consolidated operating margin percentages, nor do they represent a strategic shift for the Company that will have a major effect on the entity’s operations and financial results. Consequently, the sales did not meet the criteria for reporting as discontinued operations. The net proceeds from the sales were used for general corporate purposes.

The Company continually assesses its operational footprint as well as its overall portfolio of businesses and may consider the divestiture of plants and/or business units it considers to be suboptimal or nonstrategic. See Note 3 to the Consolidated Financial Statements for further information about acquisitions and divestitures.

Restructuring and Asset Impairment Charges

Due to its geographic footprint (approximately 300 locations in 32 countries) and the cost-competitive nature of its businesses, the Company frequently seeks more cost-effective means and structures to serve its customers, to improve profitability, and to respond to fundamental changes in its markets. As such, restructuring costs have been and are expected to be a recurring component of the Company’s operating costs. The amount of these costs can vary significantly from year to year depending upon the scope and location of the restructuring activities.

The following table summarizes the impact of restructuring and asset impairment charges for each of the years presented:

Dollars in thousands	*Year Ended December 31,* 2021	2020	2019
Restructuring and restructuring-related asset impairment charges	$ 9,176	$ 67,729	$ 44,819
Other asset impairments	5,034	77,851	15,061
Restructuring/Asset impairment charges	$ 14,210	$ 145,580	$ 59,880

During 2021, the Company recognized severance charges for employees terminated as a result of various plant closures, employees impacted by Project Horizon, and employees whose positions were eliminated in conjunction with the Company's ongoing organizational effectiveness efforts. In addition, the Company recognized gains from the sale of real estate in the Industrial Paper Packaging segment and gains from the sale of other assets impaired in the prior year as a result of consolidations in the Company's Plastics - Food thermoforming operations. The Company recognized other asset impairment charges totaling $5.0 million in the year ended December 31, 2021. These charges consisted of fixed asset impairments in the Company's Plastics - Food thermoforming operations, part of the Consumer Packaging segment, and in the temperature-assured packaging business, part of the All Other group of businesses.

During 2020, the Company announced the closures of a paper mill in Canada, a paper machine in the United States, a cone operation in Europe and four tube and core plants, one in Europe and three in the United States (all part of the Industrial Paper Packaging segment); and the closure of a paperboard specialties plant in the United States (part of the All Other group of businesses). Restructuring actions in the Consumer Packaging segment included the closure of two graphic design operations, one in the United States and one in the United Kingdom, and the consolidation in the Company's Plastics - Food thermoforming operations on the west coast of the United States and in Mexico. This consolidation resulted in the closure of a manufacturing facility in the United States and the conversion of a manufacturing facility in Mexico into a warehouse and distribution center. During the fourth quarter of 2020, the Company recognized other asset impairments totaling $77.9 million on certain long-lived, intangible, and right of use assets, primarily in the Company's Plastics - Food thermoforming operations. In addition, the Company continued to realign its cost structure, resulting in the elimination of approximately 275 positions.

The Company expects to recognize future additional costs totaling approximately $2.0 million in connection with previously announced restructuring actions. The Company believes that the majority of these charges will be incurred and paid by the end of 2022. The Company regularly evaluates its cost structure, including its manufacturing capacity, and additional restructuring actions are likely to be undertaken. Restructuring and asset impairment charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the Company operates.

See Note 4 to the Consolidated Financial Statements for further information about restructuring activities and asset impairment charges.

Reconciliations of GAAP to Non-GAAP Financial Measures

The following tables reconcile the Company's non-GAAP financial measures to their most directly comparable GAAP financial measures for each of the years presented:

Dollars and shares in thousands, except per share data	***For the year ended December 31, 2021*** GAAP	Restructuring/ Asset Impairment[1]	Acquisition/Divestiture Related Costs[2]	Other Adjustments[3]	Base
Operating profit	$ 486,853	$ 14,210	$ 17,722	$ (3,420)	$ 515,365
Non-operating pension costs	568,416	—	—	(568,416)	—
Interest expense, net	59,235	—	—	2,165	61,400
Loss from the early extinguishment of debt	20,184	—	—	(20,184)	—
(Loss)/Income before income taxes	(160,982)	14,210	17,722	583,015	453,965
(Benefit from)/Provision for income taxes	(67,430)	5,363	3,535	165,531	106,999
(Loss)/Income before equity in earnings of affiliates	(93,552)	8,847	14,187	417,484	346,966
Equity in earnings of affiliates, net of tax	10,841	—	—	(1,394)	9,447
Net (loss)/income	(82,711)	8,847	14,187	416,090	356,413
Less: Net (income) attributable to noncontrolling interests, net of tax	(2,766)	—	—	2,052	(714)
Net (loss)/income attributable to Sonoco	(85,477)	8,847	14,187	418,142	355,699
Diluted weighted average common shares outstanding[4]:	99,608			469	100,077
Per diluted common share	$ (0.86)	$ 0.09	$ 0.14	$ 4.18	$ 3.55

Dollars and shares in thousands, except per share data	For the year ended December 31, 2020 GAAP	Restructuring/ Asset Impairment[(1)]	Acquisition Related Costs[(2)]	Other Adjustments[(5)]	Base
Operating profit	$ 357,804	$ 145,580	$ 4,671	$ 18,934	$ 526,989
Non-operating pension costs	30,142	—	—	(30,142)	—
Interest expense, net	72,070	—	—	—	72,070
Income before income taxes	$ 255,592	$ 145,580	$ 4,671	$ 49,076	$ 454,919
Provision for income taxes	53,030	32,868	1,236	27,126	114,260
Income before equity in earnings of affiliates	$ 202,562	$ 112,712	$ 3,435	$ 21,950	$ 340,659
Equity in earnings of affiliates, net of tax	4,679	—	—	—	4,679
Net income	$ 207,241	$ 112,712	$ 3,435	$ 21,950	$ 345,338
Less: Net (income) attributable to noncontrolling interests, net of tax	222	(60)	—	—	162
Net income attributable to Sonoco	$ 207,463	$ 112,652	$ 3,435	$ 21,950	$ 345,500
Per diluted common share	$ 2.05	$ 1.11	$ 0.03	$ 0.22	$ 3.41

(1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring actions usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. Additionally, 2020 includes net asset impairment charges totaling $100,242 mostly related to the Company's Plastics - Food thermoforming operations.
(2) Includes costs related to potential and actual acquisitions and divestitures.
(3) Includes non-operating pension expenses related to after-tax settlement charges of $410,417, related primarily to the settlement of the Inactive Plan in the second quarter.
(4) Due to the magnitude of certain expenses considered by management to be non-base, the Company reported a 2021 GAAP net loss attributable to Sonoco. In instances where a company incurs a net loss, including potential common shares in the denominator of a diluted earnings per-share computation will have an antidilutive effect on the per-share loss. GAAP therefore requires the exclusion of any unexercised share awards or other like instruments for purposes of calculating weighted average shares outstanding. Accordingly, the Company did not include any unexercised share awards or other like instruments in calculating weighted average shares outstanding for GAAP purposes in the table above, which resulted in basic weighted average common shares outstanding and diluted weighted average common shares outstanding being the same. However, the Company also presents base net income attributable to Sonoco, which excludes the net non-base items. In order to maintain consistency and comparability of base diluted EPS, dilutive unexercised share awards were included in the calculation to the same extent they would have been had GAAP net income attributable to Sonoco been equal to base net income attributable to Sonoco.
(5) Includes non-operating pension costs, the loss on the sale of the Company's European contract packaging business and approximately $17,400 of income tax benefits related to the sale.

Results of Operations – 2021 Versus 2020

Net (loss)/income attributable to Sonoco ("GAAP results") was a net loss of $(85.5) million ($(0.86) per diluted share) in 2021, compared with net income of $207.5 million ($2.05 per diluted share) in 2020.

The GAAP results reflect net after-tax, non-base charges totaling $441.2 million and $138.0 million in 2021 and 2020, respectively. These non-base items consisted of the following:

Amounts in Millions	For the year ended December 31, 2021	December 31, 2020
Non-Operating Pensions costs	$ 423.5	$ 22.2
Net recognized benefit on 2017 amended U. S. income tax return	(30.0)	—
Loss on early extinguishment of debt	15.0	—
Other non-base tax charges	15.5	—
Restructuring/Asset impairment charges	8.8	112.7
Euro derivative gain related to Euro loan repayment	(3.3)	—
Refund of foreign VAT and applicable interest	(3.1)	—
Net Loss/(Gain) on divestitures of businesses	1.2	(2.8)
Acquisition related costs	14.2	3.4
Net all other non-base charges, after tax	(0.6)	2.5
Total non-base charges, after tax	$ 441.2	$ 138.0

Adjusted for these items, base earnings in 2021 were $355.7 million ($3.55 per diluted share), compared with $345.5 million ($3.41 per diluted share) in 2020.

Both GAAP and base earnings in 2021 reflect the negative impact of price/cost which was especially impactful to our Consumer Packaging segment and our All Other group as the Company was not able to fully recover plastic resin and steel inflation. Additionally, wage and other cost inflation, along with the negative impact of divestitures (net of acquisitions), also drove earnings down year over year. These impacts were offset by productivity gains and volume/mix increase as a result of the global recovery as impact from the COVID-19 pandemic waned. However, just as the quarantines and lock downs at the start of the pandemic drove demand in our Consumer Packaging segment due to pantry stocking, the easing of these restrictions drove year-over-year sales declines for this segment as consumer demand lessened. GAAP earnings in 2021 were further unfavorably impacted by a $538.3 million increase in non-operating pension costs which was driven by the previously mentioned pension settlements. This was partially offset by a $131.4 million decrease in restructuring activity and asset write-offs.

The 2021 full-year effective tax rates on GAAP and base earnings were 41.9% and 23.6%, respectively, compared with 20.7% and 25.1%, respectively in 2020. The higher 2021 GAAP effective tax rate primarily resulted from a combination of the regular tax benefit recognized on the Company's reported pretax loss, together with a discrete tax benefit from the realization of additional foreign tax credits generated by an amendment of the Company's 2017 US income tax return.

Consolidated net sales for 2021 were $5.6 billion, a $353 million, or 6.7%, increase from 2020. The components of the sales change were:

($ in millions)		
Volume/mix	$	144
Selling price		504
Acquisitions and divestitures, net		(337)
Foreign currency translation and other, net		42
Total sales increase	$	353

Sales volume/mix, adjusted for the display and packaging divestitures, rose approximately 2.9% driven by increases in the Industrial Paper Packaging segment and the All Other group of businesses. These increases were largely due to the global recovery from disruptions caused by the COVID-19 pandemic. Many of the Consumer Packaging segment's food packaging product lines benefited in the prior year from customers' preferences for at-home eating during the quarantines and lockdowns during the beginning of the pandemic. The easing of quarantine and lockdown restrictions in 2021 resulted in volumes declining in these businesses to levels consistent with historical sales. Selling prices were higher year over year in all segments as the Company increased prices to attempt to recover rising raw material and other costs. Divestitures, net of acquisitions, reduced comparable year-over-year sales by $337 million.

Total domestic sales were $3.7 billion, up 7.0% from 2020, as higher selling prices and demand increases in Industrial Paper Packaging and All Other businesses located in the United States more than offset domestic divestitures and demand declines for the Company's consumer products. International sales were $1.9 billion, up 6.3% from 2020. The year-over-year increase in international sales was driven by increased sales prices and higher volumes. These increases were partially offset by lost sales from divestitures, net of acquisitions.

Costs and Expenses/Margins

Despite the impact of divestitures, cost of sales increased $337.4 million in 2021, or 8.1%, from the prior year. This increase was driven by raw material, freight, and other cost increases, as well as volume increases. Gross profit margins decreased to 19.0% in 2021 from 20.0% in the prior year as cost inflation was only partially offset by productivity improvements.

Selling, general and administrative ("SG&A") expenses increased $29.7 million, or 5.6%, and were 10.0% of sales compared to 10.1% of sales in 2020. The current year increase in SG&A expenses was driven by higher costs of providing medical benefits, strategic information technology activity, and higher acquisition and divestiture-related transaction costs.

GAAP operating profit was 8.7% of sales in 2021 compared to 6.8% in 2020. Base operating profit decreased to 9.2% of sales in 2021 compared to 10.1% in 2020. GAAP operating profit increased $129.0 million and base operating profit decreased $11.6 million. The increases in 2021 GAAP operating profit and operating profit margin are largely attributable to a $131.4 million decrease in restructuring and asset impairment charges as well as an $11.8 million year-over-year decrease in losses from divestitures of businesses. The decreased base operating profit margin reflects the previously mentioned decline in gross profit margin as well as higher SG&A costs.

Restructuring and asset impairment charges totaled $14.2 million and $145.6 million in 2021 and 2020, respectively. Additional information regarding restructuring actions and asset impairments is provided in Note 4 to the Company's Consolidated Financial Statements. Additional information regarding the loss on the sale of the Company's domestic display and packaging business as well as the loss on the sale of the European contract packaging business is provided in Note 3 to the Company's Consolidated Financial Statements.

Non-operating pension costs increased $538.3 million in 2021 to a total of $568.4 million, compared with $30.1 million in 2020. The higher year-over-year expense is primarily due to the settlement of the Inactive Plan. Service cost, a component of net periodic benefit plan expense, is reflected in the Company's Consolidated Statements of Income with approximately 75% in cost of sales and 25% in selling, general and administrative expenses. See Note 13 to the Consolidated Financial Statements for further information on employee benefit plans.

Net interest expense totaled $59.2 million for the year ended December 31, 2021, compared with $72.1 million in 2020. The decrease was primarily due to the impact of lower average borrowings as a result of the Company's efforts to reposition its cash balances and debt portfolio in anticipation of a waning of the COVID-19 pandemic.

Reportable Segments

The Company changed its operating and reporting structure in January 2021 and, as a result, realigned certain reportable segments effective January 1, 2021. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other. Segment financial information for prior periods has been recast to conform to the current-year presentation.

Consolidated operating profits, reported as "Operating Profit" in the Company's Consolidated Statements of Income, are comprised of the following:

($ in millions)	*2021*	*2020*	*% Change*
Segment operating profit:			
Consumer Packaging	$ 252.8	$ 278.4	(9.2) %
Industrial Paper Packaging	218.3	176.8	23.5 %
All Other	44.2	71.7	(38.4) %
Total segment operating profit	515.3	526.9	(2.2) %
Restructuring/Asset impairment charges	(14.2)	(145.6)	(90.2) %
Acquisition/(Divestiture)-related costs	(17.7)	(4.7)	276.6 %
Other non-base income/(charges), net	3.4	(18.9)	(118.0) %
Consolidated operating profit*	$ 486.8	$ 357.7	36.1 %

*Due to rounding, amounts above may not sum to the totals presented

Segment results viewed by Company management to evaluate segment performance do not include restructuring charges, asset impairment charges, acquisition/divestiture-related charges, gains or losses from the sale of businesses, specifically identified tax adjustments, and certain other items, if any, the exclusion of which the Company believes improves comparability and analysis. Accordingly, the term "segment operating profit" is defined as the segment's portion of "Operating profit" excluding those items. General corporate expenses, with the exception of restructuring charges, asset impairment charges, acquisition/divestiture-related charges, net interest expense and income taxes, have been allocated as operating costs to each of the Company's reportable segments.

See Note 18 to the Company's Consolidated Financial Statements for more information on reportable segments.

Consumer Packaging

($ in millions)	2021	2020	% Change
Trade sales	$ 2,368.3	$ 2,229.9	6.2 %
Segment operating profits	252.8	278.4	(9.2)%
Depreciation, depletion and amortization	98.7	109.3	(9.7)%
Capital spending	60.5	59.0	2.5 %

Trade sales increased year over year due to sales price increases implemented to recover rising material and other operating costs. The year-over-year impact of acquisitions on sales totaled $21.7 million and included a full year of sales from Can Packaging, acquired August 3, 2020. These positive impacts were somewhat offset by volume/mix declines as volume erosion in rigid paper containers, driven by a return to more normal demand as eased restrictions related to the COVID-19 pandemic decreased consumers' preference for at-home meals. Volume/mix increases in the other businesses in the segment partially offset this year-over-year decline. Foreign currency translation increased sales by approximately $25 million year over year due to a weaker U.S. dollar. Domestic sales were approximately $1,608 million, up 1.7%, or $26 million, from 2020, while international sales were approximately $761 million, up 17.3%, or $112 million, from 2020.

Segment operating profits decreased by $25.6 million year over year and operating profit margins of 10.7% were down 181 basis points from 2020. The decreases in segment operating profits and operating profit margins were largely driven by rising material costs and volume/mix declines which were partially offset by productivity and the full-year impact of the Can Packaging acquisition.

Capital spending in the segment included numerous productivity projects and expansion of manufacturing capabilities in North America (primarily rigid paper containers and flexible packaging), Europe and Asia (primarily rigid paper containers).

Industrial Paper Packaging

($ in millions)	*2021*	*2020*	*% Change*
Trade sales	$ 2,464.3	$ 1,991.5	23.7 %
Segment operating profits	218.3	176.8	23.5 %
Depreciation, depletion and amortization	96.1	94.8	1.4 %
Capital spending	150.2	87.5	71.7 %

Domestic trade sales in the segment increased $244 million, or 20.7%, to $1,422 million, while international trade sales increased $229 million, or 28.2%, to $1,043 million. The increase in both domestic and international trade sales resulted from higher selling prices implemented to cover inflation on raw materials and other costs. Additionally, strong volume/mix, especially in global tubes and cores, increased sales year over year as these businesses began to recover from the effects of disruptions caused by the COVID-19 pandemic. Additionally, sales grew approximately $25 million from the positive impact of a weaker U.S. dollar year over year. Segment operating profit increased year over year, driven by volume gains, strong productivity improvements, and a positive price/cost relationship.

During 2021, the Company made significant progress on Project Horizon, its $125 million investment to transform the corrugated medium machine in Hartsville, South Carolina, to produce uncoated recycled paperboard ("URB"). Project Horizon also includes a new finished goods warehouse on the Hartsville campus as well as other infrastructure improvements to the Hartsville paper manufacturing complex. Project Horizon began in the last half of 2020 and is expected to be completed in the third quarter of 2022. The new URB machine is being designed with the goal of being the largest and lowest-cost producer of URB in the world, with a targeted annual production capacity of 180,000 tons and capable of producing a wide range of high-value paper grades to service the Company's Industrial Paper Packaging businesses and external trade customers. Project Horizon is expected to drive significant annualized cost savings beginning in 2023.

In addition to Project Horizon, capital spending in the segment included modifications of several paper machines in North America, numerous productivity projects, and IT investments.

All Other

($ in millions)	*2021*	*2020*	*% Change*
Trade sales	$ 757.8	$ 1,016.1	(25.4)%
Segment operating profits	44.2	71.7	(38.4)%
Depreciation, depletion and amortization	44.3	51.2	(13.5)%
Capital spending	22.8	24.7	(7.7)%

The main driver of the year-over-year decrease in sales was $361 million in divested sales related to the divestitures of the Company's European contract packaging and U.S. display and packaging businesses in November 2020 and April 2021, respectively. Strong volume/mix increases in the remaining businesses in the group as well as higher selling prices, implemented to offset higher raw material and other costs, somewhat offset divested sales.

All Other operating profit decreased year over year, driven by the display and packaging divestitures as well as a negative price/cost environment. Volume/mix gains and strong productivity improvements partially offset these losses.

Capital spending in the All Other group of businesses was mostly related to customer development and productivity related projects in North America, primarily in our molded foam protective packaging and temperature assured businesses.

Financial Position, Liquidity and Capital Resources

Cash Flow

Operating Activities

Cash flows from operations totaled $298.7 million in 2021 and $705.6 million in 2020. Although GAAP net (loss)/income decreased $290.0 million year-over-year, the decline was essentially offset by the year-over-year impact of increases in non-cash pension costs from pension settlement charges partially offset by lower non-cash asset impairment activity in 2021. Cash pension contributions in 2021 were $163.7 million, a year-over-year increase of $123.2 million. This increase was primarily related to funding the Inactive Plan prior to settling the plan's obligations in the second quarter of 2021. Cash paid for taxes increased $68.6 million year-over-year; 2020 tax payments benefited from a deduction related to the anticipated 2021 contributions to the Inactive Plan.

Working capital consumed $107.4 million of cash in 2021 compared to providing $51.5 million in 2020. The additional cash consumption of $158.9 million was primarily driven by recovery from disruptions caused by the COVID-19 pandemic as net working capital grew throughout the year driven by increased business activity levels, inflation, and supply chain dynamics that affected customer demand and resulted in fluctuating inventory levels.While higher raw material prices increased year-end 2021 balances for both inventory and accounts payable, the Company also made pre-buys of certain raw materials in anticipation of 2022 price increases and to mitigate stock-out risk. Accounts receivable consumed $167.6 million more cash in 2021 than in 2020 due to higher fourth-quarter sales activity compared to the prior year. The Company continued to actively manage collections and saw year-over-year improvement in its already strong customer payment terms compliance; however, offsetting this benefit was an increase in the average length of customer payment terms due largely to sales mix.

Accrued expenses and other assets and liabilities used $7.3 million of cash in 2021 compared with a $56.5 million provision of cash in 2020. The year-over-year change was largely the result of a benefit in 2020 from the deferral of payments of the Company's portion of social security taxes of approximately $32 million, pursuant to the CARES Act, while 2021 reflects the subsequent payment of one half of the deferred amount. The remaining amount deferred is expected to be paid before December 2022.

Investing Activities

Cash used by investing activities was $165.9 million in 2021, compared with $126.3 million in 2020. Capital spending was $256.0 million in 2021, compared with $194.1 million in 2020, an increase of $61.9 million primarily due to spending on Project Horizon, a $125 million project to convert our corrugated medium machine to a state-of-the-art uncoated recycled paperboard machine. Spending on acquisitions used $22.2 million of cash in 2021 compared with $49.3 million in 2020. Proceeds from the sale of businesses provided $91.6 million of cash in 2021 primarily from the sale of the Company's U.S. display and packaging business, compared to $103.4 million in 2020, principally from the sale of the Company's European contract packaging business. The Company received proceeds from the sale of assets totaling $13.2 million in 2021 compared with $13.0 million in the prior year.

Financing Activities

Net cash used by financing activities increased $350.7 million year over year as financing activities used $513.5 million of cash in 2021, compared with $162.9 million in 2020. The greater use of cash reflects a year-over-year increase in share repurchases of $209.6 million pursuant to a repurchase authorization approved by the Company's Board of Directors in April 2021. The greater use of cash also reflects higher year-over-year net debt repayments of $92.9 million in 2021 compared with 2020 and $20.1 million of excess cash costs related to the early extinguishment of debt in the current year.

Cash dividends increased 3.5% to $178.6 million in 2021 compared to $172.6 million in 2020, reflecting a full year of the $0.02 per share increase in the quarterly dividend payment approved by the Board of Directors in February 2021.

The change in outstanding checks provided cash of $7.0 million in 2021 while providing $21.0 million in the prior year. The year-over-year change is the result of the timing and size of the last accounts payable check runs in December 2021 and December 2020 relative to the Company's December 31 year end. Other financing cash flows also included $4.4 million of proceeds realized from an interest rate swap in 2021, compared with $14.5 million in 2020.

Capital Resources

Current assets decreased year over year by $171.9 million to $1,658.7 million at December 31, 2021, and current liabilities increased by $14.1 million to $1,525.8 million, resulting in a decrease in the Company's ratio of current assets to current liabilities to 1.1 at December 31, 2021 from 1.2 at December 31, 2020. Current assets were lower due to a decrease in cash largely stemming from repurchases of the Company's common stock in 2021, contributions to the Inactive Plan, and greater year-over-year net repayments of debt. The decrease in cash was partially offset by increases in accounts receivable and inventory. Current liabilities were higher year over year primarily due to an increase in accounts payable, partially offset by a reduction in accrued expenses as a result of funding the outstanding liabilities of the Inactive Plan pursuant to settling the obligations of the plan through lump sum payments and the purchase of annuities during the second quarter of 2021.

The Company's cash balances are held in numerous locations throughout the world. At December 31, 2021 and 2020, approximately $154.4 million and $170.8 million, respectively, of the Company's reported cash and cash equivalents balances of $171.0 million and $564.8 million, respectively, were held outside of the United States by its foreign subsidiaries. Cash held outside of the United States is available to meet local liquidity needs, or for capital expenditures, acquisitions, and other offshore growth opportunities. As the Company has maintained sufficient domestic liquidity through a combination of operating cash flow generation and access to bank and capital markets borrowings, we have generally considered our foreign unremitted earnings to be indefinitely invested outside the United States and currently have no plans to repatriate such earnings, other than excess cash balances that can be repatriated at minimal tax cost. Accordingly, as of December 31, 2021, the Company is not providing for taxes on these amounts for financial reporting purposes. Computation of the potential deferred tax liability associated with unremitted earnings considered to be indefinitely reinvested is not practicable.

The Company uses a notional pooling arrangement with an international bank to help manage global liquidity requirements. Under this pooling arrangement, the Company and its participating subsidiaries may maintain either a cash deposit or borrowing position through local currency accounts with the bank, so long as the aggregate position of the global pool is a notionally calculated net cash deposit. Because it maintains a security interest in the cash deposits, and has the right to offset the cash deposits against the borrowings, the bank provides the Company and its participating subsidiaries favorable interest terms on both.

The Company, as part of its ongoing efforts to improve cash flow and related liquidity, works with suppliers to improve its terms and conditions, including extending payment terms. Beginning in 2020, the Company started facilitating a voluntary supply chain financing program (the "program") to provide certain suppliers with the opportunity to sell receivables due from the Company to the program's participating financial institution. Such sales are conducted at the sole discretion of both the suppliers and the financial institution on a non-recourse basis at a rate that leverages the credit rating of the Company and thus might be more beneficial to the supplier. No guarantees are provided by the Company or any of its subsidiaries under the program. Responsibility is limited to making payment on the terms originally negotiated with suppliers, regardless of whether those suppliers sell the receivables to the financial institution. The Company does not enter into any agreements with suppliers regarding their participation in the program. All outstanding amounts owed under the program are recorded within trade accounts payable. The amount owed to the participating financial institution under the program and included in accounts payable for continuing operations was $47 million at December 31, 2021. The Company accounts for all payments made under the program as a reduction to cash flows from operations and reports them within "changes in payable to suppliers" in the Consolidated Statements of Cash Flows. The total amount settled through the program and paid by the Company to the participating financial institution was $178 million during 2021 and $50 million during 2020, the first year of the program. The Company expects that the amounts settled through the program will continue to grow in 2022 and future periods. A downgrade in the Company's credit rating or changes in the financial markets could limit financial institutions' willingness to commit funds to, and participate in, the program. However, the Company does not believe a reduction in, or the elimination of, the program would have a material impact on its working capital or cash flows.

The Company's total debt at December 31, 2021, was $1,611 million, a year-over-year decrease of $90 million. The year-over-year change includes the following actions taken in 2021 related to the Company's efforts to reposition its cash balances and debt portfolio in anticipation of a waning of the COVID-19 pandemic:

- On April 5, 2021, the Company received cash proceeds totaling $79.7 million from the sale of its U.S. display and packaging business.
- On May 10, 2021, the Company paid $150 million in connection with an accelerated share repurchase agreement to repurchase shares of its common stock.
- On May 25, 2021, the Company repurchased $63.2 million of its outstanding 5.75% notes, due November 2040, for a total cash cost of $82.0 million.
- On May 25, 2021, upon maturity, the Company paid $177.8 million to retire its 1% Euro loan.
- On June 30, 2021, the Company entered into a new five-year $750 million, unsecured revolving credit facility which replaced an existing $500 million facility. Consistent with prior facilities, the new revolving credit facility supports the Company's $500 million commercial paper program.
- On August 1, 2021, the Company repaid its $250 million, 4.375% debentures without penalty ahead of their November 2021 maturity.

Following the actions above, at December 31, 2021, the Company had approximately $171 million in cash and cash equivalents on hand, $750 million in committed availability under its revolving credit facility, of which $401 million was available for drawdown, net of $349 million of outstanding commercial paper balances. The Company has the contractual right to draw funds directly on the underlying revolving credit facility, which could possibly occur if there were a disruption in the commercial paper market. Scheduled debt maturities in 2022 total approximately $412 million, including outstanding commercial paper. The Company believes cash on hand and available credit, combined with expected net cash flows generated from operating and investing activities, will provide sufficient liquidity to cover these and other cash flow needs of the Company over the course of 2022 and beyond.

As of December 31, 2021, the Company had scheduled debt maturities of $411.5 million in 2022, including $349.0 million of commercial paper, and had scheduled debt maturities of $8.0 million, $6.1 million and $5.3 million in 2023, 2024 and 2025, respectively. See Note 9 to the Consolidated Financial Statements for additional information regarding the Company's contractual principal debt maturities.

On January 21, 2022, subsequent to the end of the fiscal year, the Company completed its inaugural offering of green bonds to support the Company's sustainability strategy. The aggregate principal amount of the unsecured notes totaled $1.2 billion, consisting of $400 million aggregate principal amount of 1.800% Notes due 2025, $300 million aggregate principal amount of 2.250% Notes due 2027, and $500 million aggregate principal amount of 2.850% Notes due 2032. Also on January 21, 2022, the Company entered into a $300 million term loan facility maturing in January 2025 with a syndicate of eight banks. The funds from this facility were drawn on January 26, 2022 and used, along with a portion of the net proceeds from the bonds and commercial paper borrowings, to fund the acquisition of Ball Metalpack, which was consummated the same day. See Note 20 to the Consolidated Financial Statements for additional information about these subsequent events.

The Company's contractual obligation maturities for interest payments on outstanding fixed-rate, long-term debt, including the notes issued on January 21, 2022, as well as financing fees on the backstop line of credit, are expected to total approximately $76.4 million in 2022, $78.2 million in both 2023 and 2024, and $72.2 million in 2025.

Capital spending is expected to total approximately $325 million in 2022, higher than 2021, due to expected spending on projects that had been planned for 2021, but were delayed, anticipated capital investments at Ball Metalpack, and continued spending on Project Horizon, which is expected to total approximately $50 million in 2022. Consistent with its past practice, the Company expects to continue investing in its capital assets in subsequent periods but does not currently have significant contractual commitments.

Acquisitions and internal investments are key elements of the Company’s growth strategy. The Company believes that its cash on hand, coupled with cash generated from operations and available borrowing capacity will enable it to support this strategy. Although the Company believes that it has excess borrowing capacity beyond its current lines, there can be no assurance that such financing would be available or available on terms that are acceptable to the Company. The Company continually assesses its operational footprint as well as its overall portfolio of businesses and may consider the divestiture of plants and/or business units it considers to be suboptimal or nonstrategic. Should these efforts result in the future sale of any plants or business units, management expects to first seek to utilize the proceeds to invest in growth projects or strategic acquisitions.

The net underfunded position of the Company’s various U.S and international defined benefit pension and postretirement plans was $97 million at the end of 2021, compared with $294 million at the end of 2020. The decrease of $197 million reflects the final settlement of the liabilities of the Inactive Plan during 2021. The Inactive Plan was terminated effective September 30, 2019, and the liabilities settled through a combination of a limited lump-sum offering in April 2021 and annuity purchases in June 2021. The Company contributed approximately $164 million to its benefit plans in 2021, including $124 million to the Inactive Plan in order to be fully funded on a termination basis at the time of the annuity purchase. The Company realized a cash tax benefit of approximately $38 million in 2020 on the Inactive Plan contributions that were deductible in its 2020 income tax filings. Contributions to the Company's benefit plans in 2022, including the Sonoco Retirement Contribution ("SRC"), are expected to total approximately $38 million. Future funding requirements will depend largely on actual investment returns, future actuarial assumptions, legislative actions, and changes to the Company's benefit offerings.

In October 2021, the Company's Board of Directors approved an amendment to the Sonoco Retirement and Savings Plan to eliminate the SRC and to increase the Company's 401(k) matching contribution to 100% of the first 6% of eligible contributions effective as of December 31, 2021. The amendment is expected to be neutral to total expense in 2022. However, the Company's operating cash flow is expected to be negatively affected in 2022 as it will reflect both the annual funding of the SRC earned in 2021 and the higher 401(k) matching contributions.

Total equity decreased $61 million during 2021 as other comprehensive income of $397 million and stock-based compensation of $23 million were offset by a net loss of $83 million, dividends of $180 million and share repurchases of $218 million. The primary components of other comprehensive income were a $76 million translation loss from the impact of a stronger U.S. dollar on the Company’s foreign investments and the reclassification of actuarial losses in the Company’s defined benefit plans totaling $471 million, net of tax, from accumulated other comprehensive loss to net income, primarily relating to the settlement of the Inactive Plan in the second quarter of 2021.

On April 20, 2021, the Company’s Board of Directors authorized the repurchase of the Company's common stock up to an aggregate amount of $350 million. The Company purchased a total of 3.29 million shares under this authorization during 2021 at a cost of $212 million. Accordingly, a total of $138 million remained available for share repurchases under this authorization at December 31, 2021.

Although the ultimate determination of whether to pay dividends is within the sole discretion of the Board of Directors and is based on a variety of factors, the Company plans to continue paying dividends consistent with historical practice as earnings and the Company's liquidity permit. Dividends per common share were $1.80 in 2021, $1.72 in 2020 and $1.70 in 2019. On February 9, 2022, the Company declared a regular quarterly dividend of $0.45 per common share payable on March 10, 2022, to shareholders of record on February 23, 2022.

The Company routinely enters into leasing arrangements for real estate (including manufacturing facilities, office space, warehouses, and packaging centers), transportation equipment (automobiles, forklifts, and trailers), and office equipment (copiers and postage machines). Lease contracts with a term of 12 months or less are not recorded on the consolidated balance sheet. Leased assets represent the Company’s right to use an underlying asset during the lease term, and lease liabilities represent the Company’s obligation arising from the lease. Leased assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Most real estate leases, in particular, include one or more options to renew, with renewal terms that can extend the lease term from one to 50 years. For additional information regarding the Company's contractual lease obligations, see Note 7 to the Consolidated Financial Statements.

As of December 31, 2021, the Company had long-term obligations to purchase electricity and steam, which it uses in its production processes, as well as long-term purchase commitments for certain raw materials, principally old corrugated containers. For additional information regarding the Company's purchase commitment obligations, see Note 16 to the Consolidated Financial Statements.

Risk Management

As a result of operating globally, the Company is exposed to changes in foreign exchange rates. The exposure is well diversified, as the Company’s facilities are located throughout the world, and the Company generally sells in the same countries where it produces with both revenue and costs transacted in the local currency. The Company monitors these exposures and may use foreign currency forward contracts and other risk management instruments to manage exposure to changes in foreign currency cash flows and the translation of monetary assets and liabilities on the Company’s consolidated financial statements by hedging a portion of forecasted transactions that are denominated in foreign currencies, foreign currency assets and liabilities or net investment in foreign subsidiaries. The Company’s foreign operations are exposed to political, geopolitical and cultural risks, but the risks are mitigated by diversification and the relative stability of the countries in which the Company has significant operations.

Due to the highly inflationary economy in Venezuela, the Company considers the U.S. dollar to be the functional currency of its Venezuelan operations and uses the official exchange rate when remeasuring the financial results of those operations. Economic conditions in Venezuela have worsened considerably over the past several years and there is no indication that conditions are due to improve in the foreseeable future. Further deterioration could result in the recognition of an impairment charge or a deconsolidation of the subsidiary. At December 31, 2021, the carrying value of the Company's net investment in its Venezuelan operations was approximately $1.9 million. In addition, at December 31, 2021, the Company's Accumulated Other Comprehensive Loss included a cumulative translation loss of $3.8 million related to its Venezuela operations which would need to be reclassified to net income in the event of a complete exit of the business or a deconsolidation of these operations.

The Company has operations in the United Kingdom and elsewhere in Europe that had the potential to be impacted by the exit of the U.K. from the European Union (Brexit) at the end of January 2020 and the new E.U.-U.K. Trade and Cooperation Agreement which went into effect December 31, 2020. Our U.K. operations developed contingency plans regarding potential customs clearance issues, tariffs and other uncertainties resulting from Brexit and the new agreement with the European Union. Although it is difficult to predict all of the possible future impacts to our supply chain or in our customers' downstream markets, the operational impacts subsequent to Brexit have been minor. The Company has evaluated the future potential operational impacts and uncertainties of Brexit and continues to believe that the likelihood of a material impact on our future results of operations is low. Although there are some cross-border sales made out of and into the U.K., most of what the Company produces in the U.K. is also sold in the U.K. and the same is true for continental Europe. In some cases, companies that have been importing from Europe into the U.K. are now seeking local sources, which has actually been positive for our U.K. operations. Our annual revenue in 2021 for our U.K. businesses totaled approximately $144 million on a standalone basis. Although Brexit could have broad-reaching effects beyond just in the U.K. itself, we believe our exposure to this uncertainty is limited.

The Company is a purchaser of various raw material inputs such as recovered paper, energy, steel, aluminum and plastic resin. The Company generally does not engage in significant hedging activities for these purchases, other than for energy and, from time to time, aluminum, because there is usually a high correlation between the primary input costs and the ultimate selling price of its products. Inputs are generally purchased at market or at fixed prices that are established with individual suppliers as part of the purchase process for quantities expected to be consumed in the ordinary course of business. On occasion, where the correlation between selling price and input price is less direct, the Company may enter into derivative contracts such as futures or swaps to manage the effect of price fluctuations. In addition, the Company may, from time to time, use traditional, unleveraged interest-rate swaps to manage its mix of fixed and variable rate debt and to control its exposure to interest rate movements within select ranges.

At December 31, 2021, the Company had derivative contracts outstanding to hedge the price on a portion of anticipated natural gas purchases. These contracts, which qualify as cash flow hedges, included natural gas swaps covering approximately 1.7 million metric million British thermal units ("MMBTUs"). In addition, at December 31, 2021, the Company had certain other commodity contracts outstanding to manage the cost of anticipated natural gas purchases for which the Company does not apply hedge accounting. These contracts consist of natural gas swaps covering approximately 3.9 million MMBTUs. The Company's designated and non-designated natural gas derivative contracts total approximately 73% of anticipated natural gas usage in North America for 2022.

The Company routinely enters into forward contracts to economically hedge the currency exposure of intercompany debt and foreign currency denominated receivables and payables. The Company does not apply hedge accounting treatment under ASC 815 for these instruments. As such, changes in fair value are recorded directly to income and expense in the periods that they occur. At December 31, 2021, the total notional amount of these contracts, in U.S. dollar terms, was $81 million, of which $13 million related to the Canadian dollar, $24 million to the Mexican peso, $23 million to the Polish Zloty, $7 million to the Colombian Peso, $9 million to the Euro and $5 million to all other currencies.

On January 21, 2022, the Company completed a registered public offering of unsecured bonds including $500 million aggregate principal amount of 2.850% Notes due 2032 (the"2032 Notes"), maturing on February 1, 2032. On December 29, 2021, the Company entered into treasury lock derivative instruments with two banks, with a notional principal amount of $150 million each, with the risk management objective of reducing the Company's exposure to increases in the underlying Treasury index up to the date of pricing of the 2032 Notes. The fair value of the contracts was a net loss position of $(0.6) million at December 31, 2021. The derivatives were settled when the bonds priced on January 11, 2022, with the Company recognizing a gain on the settlement of $5.2 million.

The total fair market value of the Company's derivatives was a net favorable position of $1.5 million and $0.6 million at December 31, 2021 and December 31, 2020, respectively. Derivatives are marked to fair value using published market prices, if available, or using estimated values based on current price quotes and a discounted cash flow model. See Note 10 to the Consolidated Financial Statements for more information on financial instruments.

As a result of the weakening global economy due to the COVID-19 pandemic, the Company increased its allowance for cumulative expected credit losses by $0.4 million and $0.3 million during 2021 and 2020, respectively. Continued weakness in the economy may require additional charges to be recognized in future periods.

The Company is subject to various federal, state and local environmental laws and regulations in the United States and in each of the countries where we conduct business, concerning, among other matters, solid waste disposal, wastewater effluent and air emissions. Although the costs of compliance have not been significant due to the nature of the materials and processes used in manufacturing operations, such laws also make generators of hazardous wastes and their legal successors financially responsible for the cleanup of sites contaminated by those wastes. The Company has been named a potentially responsible party at several environmentally contaminated sites. These regulatory actions and a small number of private party lawsuits are believed to represent the Company's largest potential environmental liabilities. The Company has accrued $7.4 million at December 31, 2021, compared with $8.1 million at December 31, 2020, with respect to these sites. See "Environmental Charges," Item 3 – Legal Proceedings and Note 16 to the Consolidated Financial Statements for more information on environmental matters.

Critical Accounting Policies and Estimates

Management's discussion and analysis of the Company's financial condition and results of operations are based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates these estimates and assumptions on an ongoing basis, including but not limited to those related to inventories, bad debts, derivatives, income taxes, share-based compensation, goodwill, intangible assets, restructuring, pension and other postretirement benefits, environmental liabilities, and contingencies and litigation. Estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results could differ from those estimates. The impact of and any associated risks related to estimates, assumptions and accounting policies are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as in the Notes to the Consolidated Financial Statements, if applicable, where such estimates, assumptions and accounting policies affect the Company's reported and expected financial results.

The Company believes the accounting policies discussed in the Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K are critical to understanding the results of its operations. The following discussion represents those policies that involve the more significant judgments and estimates used in the preparation of the Company's Consolidated Financial Statements.

Business Combinations

The Company’s acquisitions of businesses are accounted for in accordance with ASC 805, "Business Combinations." The Company recognizes the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquired business at their fair values as of the date of acquisition. Goodwill is measured as the excess of the consideration transferred, also measured at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires us to make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities including those related to debt, pensions and other postretirement plans, uncertain tax positions, contingent consideration and contingencies. This method also requires us to refine these estimates over a measurement period not to exceed one year to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to adjust provisional amounts that we have recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could have a material impact on our financial condition and results of operations.

Significant estimates and assumptions in estimating the fair value of acquired customer relationships, technology, and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be increased or decreased, or the acquired asset could be impaired.

Impairment of Long-Lived, Intangible and Other Assets

Assumptions and estimates used in the evaluation of potential impairment can result in adjustments affecting the carrying values of long-lived, intangible and other assets and the recognition of impairment expense in the Company’s Consolidated Financial Statements. The Company evaluates its long-lived assets (property, plant and equipment), definite-lived intangible assets and other assets (including right of use lease assets, notes receivable and equity investments) for impairment whenever indicators of impairment exist, or when it commits to sell the asset. If the sum of the undiscounted expected future cash flows from a long-lived asset or definite-lived intangible asset group is less than the carrying value of that asset group, an asset impairment charge is recognized. Key assumptions and estimates used in the projection of expected future cash flows generally include price levels, sales growth, profit margins and asset life. The amount of an impairment charge, if any, is calculated as the excess of the asset’s carrying value over its fair value, generally represented by the discounted future cash flows from that asset or, in the case of assets the Company evaluates for sale, estimated sale proceeds less costs to sell. The Company takes into consideration historical data and experience together with all other relevant information available when estimating the fair values of its assets. However, fair values that could be realized in actual transactions may differ from the estimates used to evaluate impairment. In addition, changes in the assumptions and estimates may result in a different conclusion regarding impairment.

Impairment of Goodwill

The Company assesses its goodwill for impairment annually and from time to time when warranted by the facts and circumstances surrounding individual reporting units or the Company as a whole. If the fair value of a reporting unit exceeds the carrying value of the reporting unit's assets, including goodwill, there is no impairment. If the carrying value of a reporting unit exceeds the fair value of that reporting unit, an impairment charge to goodwill is recognized for the excess. The Company's reporting units are the same as, or one level below, its operating segments, as determined in accordance with ASC 350.

The Company completed its most recent annual goodwill impairment testing during the third quarter of 2021. For testing purposes, the Company performed an assessment of each reporting unit using either a qualitative evaluation or a quantitative test. The qualitative evaluations considered factors such as the macroeconomic environment, Company stock price and market capitalization movement, current year operating performance as compared to prior projections, business strategy changes, and significant customer wins and losses. The quantitative tests, described further below, relied on the current outlook of reporting unit management for future operating results and took into consideration, among other things, the expected impact of the COVID-19 pandemic on future operations, specific business unit risk, the countries in which the reporting units operate, and implied fair values based on comparable trading multiples.

When performing a quantitative analysis, the Company estimates the fair value of its reporting units using a discounted cash flow model based on projections of future years’ operating results and associated cash flows. The Company's assessments reflected a number of significant management assumptions and estimates including the Company's forecast of sales growth, gross profit margins and discount rates, which are validated by observed comparable trading and transaction multiples based on guideline public companies. The Company’s model discounts projected future cash flows, forecasted over a seven-year period, with an estimated residual growth rate. The Company’s projections incorporate management’s estimates of the most-likely expected future results. Projected future cash flows are discounted to present value using a discount rate that management believes is appropriate for the reporting unit.

The Company’s assessments, whether qualitative or quantitative, incorporate management’s expectations for the future, including forecasted growth rates and/or margin improvements. Therefore, should there be changes in the relevant facts and circumstances and/or expectations, management’s conclusions regarding goodwill impairment may change as well. Management’s projections related to revenue growth and/or margin improvements are based on a combination of factors, including expectations for volume growth with existing customers and customer retention, product expansion, changes in price/cost relationships, productivity gains, fixed cost leverage, and stability or improvement in general economic conditions.

In considering the level of uncertainty regarding the potential for goodwill impairment, management has concluded that any such impairment would, in most cases, likely be the result of adverse changes in more than one assumption. Management considers the assumptions used to be its best estimates across a range of possible outcomes based on available evidence at the time of the assessment. Other than in Plastics - Healthcare, which is discussed below, there is no specific singular event or single change in circumstances management has identified that it believes could reasonably result in a change to expected future results in any of its reporting units sufficient to result in goodwill impairment. In management’s opinion, a change of such magnitude would more likely be the result of changes to some combination of the factors identified above, a general deterioration in competitive position, introduction of a superior technology, significant unexpected changes in customer preferences, an inability to pass through significant raw material cost increases, and other such items as identified in "Item 1A. Risk Factors" in this Annual Report on Form 10-K.

Although no reporting units failed the annual impairment test, in management’s opinion, the goodwill of the Plastics - Healthcare reporting unit is at risk of impairment in the near term if the reporting unit's operations do not perform in line with management's expectations, or if there is a negative change in the long-term outlook for the business or in other factors such as the discount rate.

Although beginning to benefit from the economic recovery, the results of the Plastics – Healthcare reporting unit have been negatively impacted by end-market weakness due to the COVID-19 pandemic. In addition, the unit is facing near-term headwinds from higher raw material and other cost increases. Assuming COVID-19 infection rates continue to decline, management expects market demand will improve over the coming year and that selling price increases and/or cost reductions, including restructuring actions and investments in production efficiency projects, will mitigate the impacts of recent raw material and other cost inflation. However, should it become apparent that the ongoing post-COVID-19 recovery is likely to be significantly weaker, delayed, or prolonged compared to management's current expectations, significant negative price/cost relationships will persist over the long-term, or profit margins do not improve as expected, goodwill impairment charges may be possible in the future. Total goodwill associated with the Plastics – Healthcare reporting unit was $64.3 million at December 31, 2021. Based on the most-recent annual impairment test, the estimated fair value of the Plastics – Healthcare reporting unit exceeded its carrying value by 13.3%.

Sensitivity Analysis

In its 2021 annual goodwill impairment analysis, projected future cash flows for the Plastics - Healthcare reporting unit were discounted at 8.3%. Based on the discounted cash flow model and holding other valuation assumptions constant, projected operating profits across all future periods would have to be reduced approximately 13.0%, or the discount rate increased to 9.3%, in order for the estimated fair value of the reporting unit to fall below its carrying value.

Income Taxes

The Company follows ASC 740, Accounting for Income Taxes, which requires a reduction of the carrying amounts of deferred tax assets by recording a valuation allowance if, based on the available evidence, it is more likely than not such assets will not be realized. Deferred tax assets generally represent expenses that have been recognized for financial reporting purposes, but for which the corresponding tax deductions will occur in future periods. The valuation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns and future profitability. Our accounting for deferred tax consequences represents our best estimate of those future events. Changes in our current estimates, due to unanticipated events or otherwise, could have a material impact on our financial condition and results of operations.

For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. For those positions not meeting the more-likely-than-not standard, no tax benefit has been recognized in the financial statements. Associated interest has also been recognized, where applicable.

The estimate for the potential outcome of any uncertain tax issue is highly judgmental. The Company believes it has adequately provided for any reasonably foreseeable outcome related to these matters. However, future results may include favorable or unfavorable adjustments to estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitations on potential assessments expire. Additionally, the jurisdictions in which earnings or deductions are realized may differ from current estimates. As a result, the eventual resolution of these matters could have a different impact on the effective rate than currently reflected or expected.

Stock-Based Compensation Plans

The Company utilizes share-based compensation in the form of restricted stock units, performance contingent restricted stock units, and other share-based awards. The amount of share-based compensation expense associated with performance contingent restricted stock units is based on estimates of future performance using measures defined in the stock plan descriptions for each award granted. As of December 31, 2021, these performance measures include the following:

- Base earnings per share — three-year sum of forecasted future and historical annual base earnings per share for the three-year measurement period associated with each award;
- Return on invested capital — three-year simple average calculated using the annual returns calculated by dividing 1) net base operating profit after tax (derived from historical or projected base earnings) by 2) the average of total historical or projected debt plus equity for the respective annual periods; and
- Return on net assets employed — three-year simple average calculated using the annual returns calculated by dividing 1) net base operating profit after tax (derived from historical or projected base earnings) by 2) the average of total historical or projected net assets for the respective annual periods.

Changes in estimates regarding the future achievement of these performance measures may result in significant fluctuations from period to period in the amount of share-based compensation expense reflected in the Company's Consolidated Financial Statements.

Pension and Postretirement Benefit Plans

The Company has significant pension and postretirement benefit liabilities and costs that are measured using actuarial valuations. The largest of the Company's pension plans are the U.S.-based Sonoco Pension Plan (the "Active Plan") and the Inactive Plan. On July 17, 2019, the Company's Board of Directors approved the termination of the Inactive Plan effective September 30, 2019. Following completion of a limited lump-sum offering in the second quarter of 2021, the Company settled all remaining liabilities under the Inactive Plan in June 2021 through the purchase of annuities.

The actuarial valuations used to evaluate the plans employ key assumptions that can have a significant effect on the calculated amounts. The key assumptions used at December 31, 2021 in determining the projected benefit obligation and the accumulated benefit obligation for U.S. retirement and retiree health and life insurance plans include: discount rates of 3.05% for the Active Plan, 2.66% for the Company's non-qualified retirement plans, and 2.48% for the Company's retiree health and life insurance plan. The rate of compensation increase for the retiree health and life insurance plan was 3.01%. The key assumptions used to determine the 2021 net periodic benefit cost for U.S. retirement and retiree health and life insurance plans include: discount rates of 2.75% and 2.31% for the Active Plan and Inactive Plan, respectively, 2.28% for the non-qualified retirement plans, and 2.04% for the retiree health and life insurance plan; an expected long-term rate of return on plan assets of 3.27% for the Active Plan and 2.01% for the Inactive Plan; and a rate of compensation increase for the retiree health and life insurance plan of 3.03%.

During 2021, the Company recorded total pension and postretirement benefit expenses of approximately $595.6 million, compared with $58.0 million during 2020. The 2021 amount reflects non-cash settlement charges of $550.7 million, primarily related to the settlement of the Inactive Plan's liabilities. Absent the settlement charges, total pension and postretirement benefit expenses were approximately $13.1 million lower
year over year. Charges in 2021 reflect $23.3 million of expected returns on plan assets at an average assumed rate of 3.61% and interest cost of $24.4 million at a weighted-average discount rate of 2.43%. The 2020 amount reflects $51.1 million of expected returns on plan assets at an average assumed rate of 3.18% and interest cost of $51.6 million at a weighted-average discount rate of 2.76%. During 2021, the Company made contributions to its pension and postretirement plans of $163.7 million, including $124.4 million to the Inactive Plan in order to be fully funded on a termination basis at the time annuity purchases were made. Contributions in 2020 totaled $40.4 million. Contributions vary from year

to year depending on various factors, the most significant being the market value of assets and interest rates. Cumulative net actuarial losses, principally the result of low discount rates, decreased from $736 million at December 31, 2020 to $105 million at December 31, 2021, primarily due to the settlement of the Inactive Plan during 2021. Remaining actuarial losses/gains outside of the 10% corridor defined by U.S. GAAP are amortized over the average remaining service life of the plan's active participants or the average remaining life expectancy of the plan's inactive participants if all, or almost all, of the plan's participants are inactive.

The Company projects that total benefit plan expenses will be approximately $8 million in 2022, $588 million lower than in 2021. This decrease is due primarily to the settlement of the Inactive Plan. Contributions to the Company's benefit plans in 2022, including the Sonoco Retirement Contribution ("SRC"), are expected to total approximately $38 million. Future funding requirements will depend largely on actual investment returns, future actuarial assumptions, legislative actions, and changes to the Company's benefit offerings.

In October 2021, the Company's Board of Directors approved an amendment to the Sonoco Retirement and Savings Plan to eliminate the SRC and to increase the Company's 401(k) matching contribution to 100% of the first 6% of eligible contributions effective as of December 31, 2021. The amendment is expected to be neutral to total expense in 2022. However, the Company's operating cash flow is expected to be negatively affected in 2022 as it will reflect both the annual funding of the SRC earned in 2021 and the higher 401(k) matching contributions.

The Company adjusts its discount rates at the end of each fiscal year based on yield curves of high-quality debt instruments over durations that match the expected benefit payouts of each plan. The expected rate of return assumption is derived by taking into consideration the targeted plan asset allocation, projected future returns by asset class and active investment management. A third-party asset return model was used to develop an expected range of returns on plan investments over a 12- to 15-year period, with the expected rate of return selected from a best estimate range within the total range of projected results. The Company periodically re-balances its plan asset portfolio in order to maintain the targeted allocation levels. The rate of compensation increase assumption is generally based on salary and incentive compensation increases. A key assumption for the U.S. retiree health and life insurance plan is a medical cost trend rate beginning at 8.27% for post-age 65 participants and trending down to an ultimate rate of 4.4% in 2030. The ultimate trend rate of 4.4% represents the Company's best estimate of the long-term average annual medical cost increase over the duration of the plan's liabilities. It provides for real growth in medical costs in excess of the overall inflation level.

The sensitivity to changes in the critical assumptions for the Company's U.S. plans as of December 31, 2021, is as follows:

Assumption ($ in millions)	*Percentage Point Change*	*Projected Benefit Obligation Higher/(Lower)*	*Annual Expense Higher/(Lower)*
Discount rate	-.25 pts	$5.9	$0.3
Expected return on assets	-.25 pts	N/A	$0.1

Other assumptions and estimates impacting the projected liabilities of these plans include inflation, participant withdrawal and mortality rates and retirement ages. The Company evaluates the assumptions used in projecting the pension and postretirement liabilities and associated expense annually. These judgments, assumptions and estimates may affect the carrying value of pension and postretirement plan net assets and liabilities and pension and postretirement plan expenses in the Company's Consolidated Financial Statements. See Note 13 to the Consolidated Financial Statements for additional information on the Company's pension and postretirement plans.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is provided in Note 2 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information regarding market risk is provided in this Annual Report on Form 10-K under the following items and captions: "Our international operations subject us to various risks that could adversely affect our business operations and financial results" and "Currency exchange rate fluctuations may reduce operating results and shareholders' equity" in Item 1A - Risk Factors; "Risk Management" in Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations; and in Note 10 to the Consolidated Financial Statements in Item 8 – Financial Statements and Supplementary Data.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and Notes to the Consolidated Financial Statements are provided on pages F-1 through F-41 of this report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Sonoco Products Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sonoco Products Company and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, changes in total equity and cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedule listed in the accompanying index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment - Plastics - Healthcare Reporting Unit

As described in Notes 1 and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was $1.32 billion as of December 31, 2021, and the goodwill associated with the Plastics - Healthcare reporting unit was $64.3 million. Management assesses goodwill for impairment annually during the third quarter, or from time to time when warranted by the facts and circumstances surrounding individual reporting units or the Company as a whole. If the fair value of a reporting unit exceeds the carrying value of the reporting unit's assets, including goodwill, there is no impairment. If the carrying value of a reporting unit exceeds the fair value of that reporting unit, an impairment charge is recognized for the excess. Fair value is estimated using a discounted cash flow model based on projections of future years' operating results and associated cash flows combined with comparable trading and transaction multiples based on guideline public companies. The calculated estimated fair value of the reporting unit reflects a number of significant management assumptions and estimates including the forecast of sales growth, gross profit margins, and discount rates.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Plastics - Healthcare reporting unit is a critical audit matter are (i) the significant judgment by management when determining the fair value measurement of the reporting unit; (ii) the significant auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the forecast of sales growth, gross profit margins, and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Plastics - Healthcare reporting unit. These procedures also included, among others (i) testing management's process for determining the fair value of the Plastics - Healthcare reporting unit; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the forecast of sales growth, gross profit margins, and the discount rate. Evaluating management's assumptions related to the forecast of sales growth and gross profit margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the Plastics - Healthcare reporting unit; (ii) the consistency with external market data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and in the evaluation of the reasonableness of the discount rate significant assumption.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 28, 2022

We have served as the Company's auditor since 1967.

CONSOLIDATED BALANCE SHEETS

Sonoco Products Company

(Dollars and shares in thousands) *At December 31*		*2021*		*2020*
Assets				
Current Assets				
Cash and cash equivalents	$	170,978	$	564,848
Trade accounts receivable, net of allowances of $19,651 in 2021 and $20,920 in 2020		755,609		658,808
Other receivables		95,943		103,636
Inventories				
Finished and in process		199,823		167,018
Materials and supplies		362,290		283,673
Prepaid expenses		74,034		52,564
		1,658,677		1,830,547
Property, Plant and Equipment, Net		1,297,500		1,244,110
Goodwill		1,324,501		1,389,255
Other Intangible Assets, Net		278,143		321,934
Long-term Deferred Income Taxes		25,818		42,479
Right of Use Asset-Operating Leases		268,390		296,020
Other Assets		220,206		152,914
Total Assets	$	5,073,235	$	5,277,259
Liabilities and Equity				
Current Liabilities				
Payable to suppliers	$	721,312	$	536,939
Accrued expenses and other		290,874		430,241
Accrued wages and other compensation		90,476		81,248
Notes payable and current portion of long-term debt		411,557		455,784
Accrued taxes		11,544		7,415
		1,525,763		1,511,627
Long-term Debt		1,199,106		1,244,440
Noncurrent Operating Lease Liabilities		234,167		262,048
Pension and Other Postretirement Benefits		158,265		171,518
Deferred Income Taxes		70,482		86,018
Other Liabilities		35,911		91,080
Commitments and Contingencies				
Sonoco Shareholders' Equity				
Serial preferred stock, no par value				
Authorized 30,000 shares				
0 shares issued and outstanding as of December 31, 2021 and 2020				
Common shares, no par value				
Authorized 300,000 shares				
97,370 and 100,447 shares issued and outstanding as of December 31, 2021 and 2020, respectively		7,175		7,175
Capital in excess of stated value		119,690		314,056
Accumulated other comprehensive loss		(359,425)		(756,842)
Retained earnings		2,070,005		2,335,216
Total Sonoco Shareholders' Equity		1,837,445		1,899,605
Noncontrolling Interests		12,096		10,923
Total Equity		1,849,541		1,910,528
Total Liabilities and Equity	$	5,073,235	$	5,277,259

The Notes beginning on page F-7 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Sonoco Products Company

(Dollars and shares in thousands except per share data) *Years ended December 31*	*2021*	*2020*	*2019*
Net sales	$ 5,590,438	$ 5,237,443	$ 5,374,207
Cost of sales	4,528,528	4,191,104	4,316,378
Gross profit	1,061,910	1,046,339	1,057,829
Selling, general and administrative expenses	558,180	528,439	530,867
Restructuring/Asset impairment charges	14,210	145,580	59,880
Loss on divestiture of business, net	2,667	14,516	—
Operating profit	486,853	357,804	467,082
Non-operating pension costs	568,416	30,142	24,713
Interest expense	63,991	75,046	66,845
Interest income	4,756	2,976	5,242
Loss from the early extinguishment of debt	20,184	—	—
(Loss)/Income before income taxes	(160,982)	255,592	380,766
(Benefit from)/Provision for income taxes	(67,430)	53,030	93,269
(Loss)/Income before equity in earnings of affiliates	(93,552)	202,562	287,497
Equity in earnings of affiliates, net of tax	10,841	4,679	5,171
Net (loss)/income	(82,711)	207,241	292,668
Net (income)/loss attributable to noncontrolling interests	(2,766)	222	(883)
Net (loss)/income attributable to Sonoco	$ (85,477)	$ 207,463	$ 291,785
Weighted average common shares outstanding:			
Basic	99,608	100,939	100,742
Assuming exercise of awards	—	270	434
Diluted	99,608	101,209	101,176
Per common share			
Net (loss)/income attributable to Sonoco:			
Basic	$ (0.86)	$ 2.06	$ 2.90
Diluted	$ (0.86)	$ 2.05	$ 2.88

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Sonoco Products Company

(Dollars in thousands) *Years ended December 31*	*2021*	*2020*	*2019*
Net (loss)/ income	$ (82,711)	$ 207,241	$ 292,668
Other comprehensive income/(loss):			
Foreign currency translation adjustments	(75,636)	46,092	8,270
Changes in defined benefit plans, net of tax	471,350	11,666	(87,033)
Change in derivative financial instruments, net of tax	1,119	325	2,035
Other comprehensive income/(loss)	396,833	58,083	(76,728)
Comprehensive income	314,122	265,324	215,940
Net (income)/loss attributable to noncontrolling interests	(2,766)	222	(883)
Other comprehensive loss attributable to noncontrolling interests	584	1,878	838
Comprehensive income attributable to Sonoco	**$ 311,940**	$ 267,424	$ 215,895

The Notes beginning on page F-7 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY

Sonoco Products Company

(Dollars and shares in thousands)	*Total Equity*	*Common Shares*		*Capital in Excess of Stated Value*	*Accumulated Other Comprehensive Loss*	*Retained Earnings*	*Non-controlling Interests*
		Outstanding	*Amount*				
January 1, 2019	$ 1,772,278	99,829	$ 7,175	$ 304,709	$ (740,913)	$ 2,188,115	$ 13,192
Net income	292,668					291,785	883
Other comprehensive loss:							
Translation gain/(loss)	8,270				9,108		(838)
Defined benefit plan adjustment[1]	(87,033)				(87,033)		
Derivative financial instruments[1]	2,035				2,035		
Other comprehensive loss	(76,728)				(75,890)		(838)
Dividends paid to noncontrolling interests	(214)						(214)
Dividends	(171,597)					(171,597)	
Issuance of stock awards	1,343	538		1,343			
Shares repurchased	(9,608)	(169)		(9,608)			
Stock-based compensation	14,334			14,334			
Impact of new accounting pronouncements	(6,771)			—		(6,771)	
December 31, 2019	$ 1,815,705	100,198	$ 7,175	$ 310,778	$ (816,803)	$ 2,301,532	$ 13,023
Net income	207,241					207,463	(222)
Other comprehensive income/(loss):							
Translation gain/(loss)	46,092				47,970		(1,878)
Defined benefit plan adjustment[1]	11,666				11,666		
Derivative financial instruments[1]	325				325		
Other comprehensive loss	58,083				59,961		(1,878)
Dividends	(173,570)					(173,570)	
Issuance of stock awards	1,154	398		1,154			
Shares repurchased	(8,483)	(149)		(8,483)			
Stock-based compensation	10,607			10,607			
Impact of new accounting pronouncements	(209)					(209)	
December 31, 2020	$ 1,910,528	100,447	$ 7,175	$ 314,056	$ (756,842)	$ 2,335,216	$ 10,923
Net loss	(82,711)					(85,477)	2,766
Other comprehensive income/(loss):							
Translation loss	(75,636)				(75,052)		(584)
Defined benefit plan adjustment[1]	471,350				471,350		
Derivative financial instruments[1]	1,119				1,119		
Other comprehensive income/(loss)	396,833				397,417		(584)
Dividends paid to noncontrolling interests	(1,009)						(1,009)
Dividends	(179,734)					(179,734)	
Issuance of stock awards	1,111	309		1,111			
Shares repurchased	(218,085)	(3,386)		(218,085)			
Stock-based compensation	22,608			22,608			
December 31, 2021	$ 1,849,541	97,370	$ 7,175	$ 119,690	$ (359,425)	$ 2,070,005	$ 12,096

[1] net of tax

The Notes beginning on page F-7 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Sonoco Products Company

(Dollars in thousands) *Years ended December 31*	*2021*	*2020*	*2019*
Cash Flows from Operating Activities			
Net (loss)/income	$ (82,711)	$ 207,241	$ 292,668
Adjustments to reconcile net income to net cash provided by operating activities:			
Asset (gain)/impairment	(4,082)	100,242	25,026
Depreciation, depletion and amortization	239,086	255,359	239,140
Loss on early extinguishment of debt	20,184	—	—
Gain on adjustment of environmental reserves	—	—	(10,675)
Share-based compensation expense	22,608	10,607	14,334
Equity in earnings of affiliates, net of tax	(10,841)	(4,679)	(5,171)
Cash dividends from affiliated companies	8,660	6,777	6,620
Net loss/(gain) on disposition of assets	15	(2,752)	746
Net loss on divestiture of business	2,667	14,516	—
Pension and postretirement plan expense	595,620	57,973	52,741
Pension and postretirement plan contributions	(163,659)	(40,411)	(231,234)
Net (decrease)/increase in deferred taxes	(158,836)	573	16,958
Change in assets and liabilities, net of effects from acquisitions, divestitures and foreign currency adjustments			
Trade accounts receivable	(149,755)	17,853	59,615
Inventories	(130,119)	12,125	2,631
Payable to suppliers	172,430	21,487	(25,383)
Prepaid expenses	(13,077)	4,754	4,030
Income taxes payable and other income tax items	(42,204)	(12,545)	(6,201)
Accrued expenses and other assets and liabilities	(7,314)	56,501	(9,995)
Net cash provided by operating activities	298,672	705,621	425,850
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(256,019)	(194,127)	(195,934)
Cost of acquisitions, net of cash acquired	(22,209)	(49,261)	(298,380)
Proceeds from the sale of business, net	91,569	103,411	—
Proceeds from the sale of assets	13,166	12,966	14,614
Other net investing activities	7,591	684	603
Net cash used by investing activities	(165,902)	(126,327)	(479,097)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	172,042	1,121,860	276,843
Principal repayment of debt	(628,119)	(886,055)	(139,582)
Net increase/(decrease) in commercial paper borrowings	349,000	(250,000)	130,000
Net increase/(decrease) in outstanding checks	6,974	20,950	(4,486)
Proceeds from interest rate swap	4,387	14,480	—
Payment of contingent consideration	—	(3,000)	(5,500)
Cash dividends – common	(178,622)	(172,626)	(170,253)
Dividends paid to noncontrolling interests	(1,009)	—	(214)
Excess cash costs of early extinguishment of debt	(20,111)	—	—
Payments for share repurchases	(218,085)	(8,483)	(9,608)
Net cash (used)/provided by financing activities	(513,543)	(162,874)	77,200
Effects of Exchange Rate Changes on Cash	(13,097)	3,145	941
(Decrease)/Increase in Cash and Cash Equivalents	(393,870)	419,565	24,894
Cash and cash equivalents at beginning of year	564,848	145,283	120,389
Cash and cash equivalents at end of year	$ 170,978	$ 564,848	$ 145,283
Supplemental Schedule of Non-Cash Investing Activities:			
Non-cash additions to property, plant and equipment	$ 27,343	$ 3,139	$ 5,342
Supplemental Disclosures:			
Interest paid, net of amounts capitalized	$ 68,189	$ 71,707	$ 66,768
Income taxes paid, net of refunds	$ 133,610	$ 65,002	$ 82,512

The Notes beginning on page F-7 are an integral part of these consolidated financial statements.

Sonoco Products Company (dollars in thousands except per share data)

1. Summary of significant accounting policies

Basis of presentation

The Consolidated Financial Statements include the accounts of Sonoco Products Company and its majority-owned subsidiaries (the “Company” or “Sonoco”) after elimination of intercompany accounts and transactions.

Investments in affiliated companies in which the Company shares control over the financial and operating decisions, but in which the Company is not the primary beneficiary, are accounted for by the equity method of accounting. Income applicable to these equity investments is reflected in “Equity in earnings of affiliates, net of tax” in the Consolidated Statements of Income. The aggregate carrying value of equity investments is reported in “Other Assets” in the Company’s Consolidated Balance Sheets and totaled $54,356 and $51,938 at December 31, 2021 and 2020, respectively.

Affiliated companies over which the Company exercised a significant influence at December 31, 2021, included:

Entity	*Ownership Interest Percentage at December 31, 2021*	
RTS Packaging JVCO	35.0	%
Cascades Conversion, Inc.	50.0	%
Cascades Sonoco, Inc.	50.0	%
Showa Products Company Ltd.	22.2	%
Papertech Energía, S.L.	25.0	%
Weidenhammer New Packaging, LLC	40.0	%

Also included in the investment totals above is the Company’s 19.5% ownership in a small tubes and cores business in Chile and its 12.2% ownership in a small paper recycling business in Finland. As the Company is not able to exercise significant influence over these investees, the equity investments are accounted for under the measurement alternative (i.e., cost less impairment, adjusted for any qualifying observable price changes). These investments are not material either individually or in the aggregate.

Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Company records revenue generally at a point in time when control transfers to the customer either upon shipment or delivery, depending on the terms of sale. Additionally, in certain cases, control transfers over time in conjunction with production where the Company is entitled to payment with margin for products produced that are customer specific and without alternative use. For products that meet these two criteria, the Company recognizes over time revenue under the input method as goods are produced. The Company commonly enters into Master Supply Arrangements with customers to provide goods and/or services over specific time periods. Customers submit purchase orders with quantities and prices to create a contract for accounting purposes. Shipping and handling expenses are considered a fulfillment cost, and included in "Cost of Sales," and freight charged to customers is included in "Net Sales" in the Company's Consolidated Statements of Income.

The Company has rebate agreements with certain customers. These rebates are recorded as reductions of sales and are accrued using sales data and rebate percentages specific to each customer agreement. Accrued customer rebates are included in "Accrued expenses and other" in the Company's Consolidated Balance Sheets.

Payment terms under the Company's arrangements are typically short term in nature. The Company provides prompt payment discounts to certain customers if invoices are paid within a predetermined period. Prompt payment discounts are determinable within a short period after the originating sale and like sales returns, are treated as a reduction of revenue.

Accounts receivable and allowance for doubtful accounts

The Company’s trade accounts receivable are non-interest bearing and are recorded at the invoiced amounts. The allowance for doubtful accounts represents the Company’s best estimate of the amount of probable credit losses in existing accounts receivable. The Company performs an evaluation of lifetime expected credit losses inherent in its accounts receivable at each balance sheet date. Such an evaluation includes consideration of historical loss experience, trends in customer payment frequency, present economic conditions, and judgment about the future financial health of its customers and industry sector. The allowance for doubtful accounts is monitored on a regular basis and adjustments are made as needed to ensure that the account properly reflects the Company’s best estimate of uncollectible trade accounts receivable. Account balances are charged off against the allowance for doubtful accounts when the Company determines that the receivable will not be recovered.

Sales to the Company’s largest customer accounted for approximately 4% of the Company’s net sales in 2021, 4% in 2020 and 5% in 2019, primarily in the Consumer Packaging segment. Receivables from the largest customer accounted for approximately 3% of the Company’s total trade accounts receivable at December 31, 2021 and 3% at December 31, 2020. The Company’s next largest customer comprised approximately 3% of the Company’s net sales in 2021, 4% in 2020 and 4% in 2019.

Certain of the Company’s customers sponsor and actively promote multi-vendor supply chain finance arrangements and, in a limited number of cases, the Company has agreed to participate. Accordingly, approximately 10% and 11% of consolidated annual sales were settled under these arrangements in 2021 and 2020, respectively.

Accounts payable and supply chain financing

The Company facilitates a voluntary supply chain financing program (the "program") to provide certain of its suppliers with the opportunity to sell receivables due from the Company to the participating financial institution in the program. Such sales are conducted at the sole discretion of both the suppliers and the financial institution on a non-recourse basis at a rate that leverages the Company's credit rating and thus might be more beneficial to the supplier. No guarantees are provided by the Company or any of our subsidiaries under the program. The Company's responsibility is limited to making payment on the terms originally negotiated with its suppliers, regardless of whether the suppliers sell their receivables to the financial institution. The Company does not enter into any agreements with suppliers regarding their participation in the program. The amount owed to the participating financial institution under the program and included in accounts payable was $46,832 at December 31, 2021 and $38,900 at December 31, 2020.

Research and development

Research and development costs are charged to expense as incurred and include salaries and other directly related expenses. Research and development costs totaling approximately $24,100 in 2021, $22,000 in 2020 and $23,300 in 2019 are included in “Selling, general and administrative expenses” in the Company’s Consolidated Statements of Income.

Restructuring and asset impairment

Costs associated with exit or disposal activities are recognized when the liability is incurred. If assets become impaired as a result of a restructuring action, the assets are written down to fair value, less estimated costs to sell, if applicable. A number of significant estimates and assumptions are involved in the determination of fair value. The Company considers historical experience and all available information at the time the estimates are made; however, the amounts that are ultimately realized upon the sale of divested assets may differ from the estimated fair values reflected in the Company’s Consolidated Financial Statements.

Cash and cash equivalents

Cash equivalents are composed of highly liquid investments with an original maturity to the Company of three months or less when purchased. Cash equivalents are recorded at cost, which approximates fair market value. As part of its cash management system, the Company uses “zero balance” accounts to fund disbursements. Under this system, the bank balance is zero at the end of each day, while the book balance is usually a negative amount due to reconciling items such as outstanding checks. Changes in these book cash overdrafts are reported as cash flows from financing activities.

The Company’s cash and cash equivalents are primarily placed with large sophisticated credit-worthy financial institutions thereby limiting the Company’s credit exposure.

Inventories

The majority of the Company's inventories are accounted for using the first-in, first-out (FIFO) method and are stated at the lower of cost or net realizable value.

The last-in, first-out (LIFO) method is used for the valuation of certain of the Company’s domestic inventories, primarily metal, internally manufactured paper and paper purchased from third parties, and approximated 15% and 15% of total inventories at December 31, 2021 and 2020, respectively. Inventories accounted for using the LIFO method are stated at the lower of cost or market. If the FIFO method of accounting had been used for all inventories, total inventory would have been higher by $22,900 and $20,371 at December 31, 2021 and 2020, respectively.

Property, plant and equipment

Plant assets represent the original cost of land, buildings and equipment, less depreciation, computed under the straight-line method over the estimated useful lives of the assets, and are reviewed for impairment whenever events indicate the carrying value may not be recoverable. Equipment lives generally range from 3 to 11 years, and buildings range from 15 to 40 years.

Expenditures for repairs and maintenance are charged to expense as incurred. When properties are retired or otherwise disposed of, the cost and accumulated depreciation are eliminated from the asset and related allowance accounts. Gains or losses are credited or charged to income as incurred.

Timber resources are stated at cost. Depletion is charged to operations based on the estimated number of units of timber cut during the year.

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The assessment is based on (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Company has the right to direct the use of the asset. When the Company determines a lease exists, a leased asset and corresponding lease liability are recorded on its consolidated balance sheet. Lease contracts with a term of 12 months or less are not recorded on the consolidated balance sheet. Leased assets represent the Company’s right to use an underlying asset during the lease term, and lease liabilities represent the Company’s obligation arising from the lease. The Company’s leased assets and liabilities may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options. The Company has lease agreements with non-lease components that relate to lease components (e.g., common area maintenance such as cleaning or landscaping, etc.). The Company accounts for each lease and any non-lease components associated with that lease as a single lease component for all underlying asset classes in accordance with the scope of the lease accounting standard.

Leased assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the implicit rate in the Company's leases is not readily determinable, the Company calculates its lease liabilities using discount rates based upon the Company’s incremental secured borrowing rate, which contemplates and reflects a particular geographical region’s interest rate for the leases active within that region of the Company's global operations. The Company further utilizes a portfolio approach by assigning a “short” rate to contracts with lease terms of 10 years or less and a “long” rate for contracts greater than 10 years. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in determining the lease liability. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

The Company recognizes fixed lease expense for operating leases on a straight-line basis over the lease term. For finance leases, the Company recognizes interest expense on the lease liability over the lease term and the finance lease asset balance is amortized on a straight-line basis.

Goodwill

The Company assesses its goodwill for impairment annually during the third quarter, or from time to time when warranted by the facts and circumstances surrounding individual reporting units or the Company as a whole. In performing the impairment test, the Company compares the fair value of the reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. This quantitative test considers factors such as the amount by which estimated fair value exceeds current carrying value, current year operating performance as compared to prior projections, and implied fair values from comparable trading and transaction multiples.

In determining the fair value of the reporting units, management considered both the income approach and the market approach. Fair value was estimated using a discounted cash flow model based on projections of future years' operating results and associated cash flows combined with comparable trading and transaction multiples based on guideline public companies. The calculated estimated fair value of the reporting unit reflects a number of significant management assumptions and estimates including the forecast of sales growth, gross profit margins, and discount rates. Changes in these assumptions could materially impact the estimated fair value.

The Company's projections incorporate management's best estimates of the expected future results, which include expectations related to new and retained business and future operating margins. Projected future cash flows are then discounted to present value using a discount rate management believes is commensurate with the risks inherent in the cash flows.

If the fair value of a reporting unit exceeds the carrying value of the reporting unit's assets, including goodwill, there is no impairment. If the carrying value of the reporting unit exceeds the fair value of that reporting unit, an impairment charge is recognized for the excess. Goodwill is not amortized.

Impairment of long-lived, intangible and other assets

Intangible assets are amortized, usually on a straight-line basis, over their respective useful lives, which generally range from 3 to 40 years. The Company has no intangibles with indefinite lives. The Company evaluates its intangible assets for impairment whenever indicators of impairment exist.

Assumptions and estimates used in the evaluation of potential impairment can result in adjustments affecting the carrying values of long-lived, intangible and other assets and the recognition of impairment expense in the Company's Consolidated Financial Statements. The Company evaluates its long-lived assets (property, plant and equipment), definite-lived intangible assets and other assets (including right of use lease assets, notes receivable and equity investments) for impairment whenever indicators of impairment exist, or when it commits to sell the asset. If the sum of the undiscounted expected future cash flows from a long-lived asset or definite-lived intangible asset group is less than the carrying value of that asset group, an asset impairment charge is recognized. Key assumptions and estimates used in the projection of expected future cash flows generally include price levels, sales growth, profit margins and asset life. The amount of an impairment charge, if any, is calculated as the excess of the asset's carrying value over its fair value, generally represented by the discounted future cash flows from that asset or, in the case of assets the Company evaluates for sale, estimated sale proceeds less costs to sell. The Company takes into consideration historical data and experience together with all other relevant information available when estimating the fair values of its assets. However, fair values that could be realized in actual transactions may differ from the estimates used to evaluate impairment. In addition, changes in the assumptions and estimates may result in a different conclusion regarding impairment.

Income taxes

The Company provides for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting requirements and tax laws. Assets and liabilities are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company recognizes liabilities for uncertain income tax positions based on our estimate of whether it is more likely than not that additional taxes will be required and we report related interest and penalties as income taxes.

Derivatives

The Company uses derivatives to mitigate the effect of fluctuations in some of its raw material and energy costs, foreign currencies, and, from time to time, interest rates. The Company purchases commodities such as metal and energy, generally at market or at fixed prices that are established with the vendor as part of the purchase process for quantities expected to be consumed in the ordinary course of business. The Company may enter into commodity futures or swaps to manage the effect of price fluctuations. The Company may use foreign currency forward contracts and other risk management instruments to manage exposure to changes in foreign currency cash flows and the translation of monetary assets and liabilities on the Company's consolidated financial statements. The Company is exposed to interest-rate fluctuations as a result of using debt as a source of financing for its operations. The Company may from time to time use traditional, unleveraged interest rate swaps to manage its exposure to interest rate movements. Additionally, the Company elected the normal purchase, normal sale scope exception for physical commodity contracts that meet the definition of a derivative. Derivative instruments, to the extent in an asset position, expose the Company to credit loss in the event of nonperformance by the counterparties to the derivative agreements. The Company manages its exposure to counterparty credit risk through minimum credit standards, diversification of counterparties and procedures to monitor concentrations of credit risk. The Company may enter into financial derivative contracts that may contain credit-risk-related contingent features, which could result in a counterparty requesting immediate payment or demanding immediate and ongoing full overnight collateralization on derivative instruments in net liability positions.

The Company records its derivatives as assets or liabilities on the balance sheet at fair value using published market prices or estimated values based on current price and/or rate quotes and discounted estimated cash flows. Changes in the fair value of derivatives are recognized either in net income or in other comprehensive income, depending on whether the derivative is designated in a cash flow or net investment hedging relationship or not. Amounts in accumulated other comprehensive income are reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. It is the Company's policy not to speculate in derivative instruments.

Business combinations

The Company's acquisitions of businesses are accounted for in accordance with ASC 805, "Business Combinations." The Company recognizes the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquired business at their fair values as of the date of acquisition. Goodwill is measured as the excess of consideration transferred, also measured at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires the Company to make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities including those related to debt, pensions and other postretirement plans, uncertain tax positions, contingent consideration and contingencies. This method also requires the Company to refine these estimates over a measurement period not to exceed one year to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If the Company is required to adjust provisional amounts that were recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could have a material impact on our financial condition and results of operations.

Significant estimates and assumptions in estimating the fair value of acquired customer relationships, technology, and other identifiable intangible assets include future cash flows that the Company expects to generate from the acquired assets, discount rate, customer attrition rate, and long-term revenue growth projections. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, the Company could record impairment charges. In addition, the Company has estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If the estimates of the economic lives change, depreciation or amortization expenses could be increased or decreased, or the acquired asset could be impaired.

Reportable segments

The Company identifies its reportable segments by evaluating the level of detail reviewed by the chief operating decision maker, gross profit margins, nature of products sold, nature of the production processes, type and class of customer, methods used to distribute products, and nature of the regulatory environment. Of these factors, the Company believes that the most significant in determining the aggregation of operating segments are the nature of the products and the type of customers served. The Company changed its operating and reporting structure in January 2021 and, as a result, realigned certain of its reportable segments effective January 1, 2021. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other. Segment financial information for prior periods has been recast to conform to the current-year presentation.

Contingencies

Pursuant to U.S. GAAP for accounting for contingencies, accruals for estimated losses are recorded at the time information becomes available indicating that losses are probable and that the amounts are reasonably estimable. Amounts so accrued are not discounted.

2. New accounting pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, “Business Combinations: Accounting for Contract Assets and Contract Liabilities." The amendments in this Update primarily require that the acquirer recognize and measure contract assets and contract liabilities acquired in a business combination as if the acquirer had originated the related revenue contracts rather than at fair value as of the acquisition date. Generally, this would result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements in accordance with generally accepted accounting principles. The amendments in this ASU are effective on a prospective basis for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in an interim period. An entity that early adopts in an interim period should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. The Company is currently evaluating the impact that ASU 2021-08's adoption will have on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting". ASU 2020-04 is intended to provide temporary optional expedients and exceptions to applying U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate ("SOFR"). In January 2021, the FASB issued ASU 2021-01, “Reference Rate Reform,” to clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. The relief offered by the guidance in both ASU 2020-04 and ASU 2021-01, if adopted, is available to companies for the period March 12, 2020 through December 31, 2022. We do not expect that the market transition of LIBOR to SOFR will have a material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12 "Income Taxes, (Topic 740): Simplifying the Accounting for Income Taxes". This ASU removes certain exceptions from recognizing deferred taxes for investments, performing intraperiod allocation and calculating income taxes in interim periods. It also reduces complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. The amendments in ASU 2019-12 were effective for the Company as of January 1, 2021, and their adoption did not have a material effect on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments," which requires measurement and recognition of expected versus incurred credit losses for financial assets held. The measurement of expected credit losses should be based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amount. The Company adopted this standard on January 1, 2020 using a modified retrospective approach and recorded a cumulative-effect adjustment to retained earnings of $209, an increase to the allowance for doubtful accounts of $279, and a decrease to deferred income tax liabilities of $70 as of January 1, 2020.

In January 2016, the FASB issued ASU 2016-02, "Leases," requiring lessees to recognize on the balance sheet a right-of-use asset and lease liability for all long-term leases and requiring disclosure of key information about leasing arrangements in order to increase transparency and comparability among organizations. The Company adopted ASU 2016-02 as of January 1, 2019, using the modified retrospective transition method and elected to apply the optional transition approach prescribed by ASU 2018-11 which allows entities to initially apply the new leases standard at the adoption date, without adjusting comparative periods. Upon the adoption of ASU 2016-02, the Company recorded on its consolidated balance sheet right of use assets totaling $336,083 and lease liabilities totaling $344,362, as well as a cumulative effect adjustment to retained earnings of $6,771 and a $1,508 reduction to deferred tax liabilities.

Other than the pronouncements discussed above, there have been no other newly issued nor newly applicable accounting pronouncements that have had, or are expected to have, a material impact on the Company’s financial statements. Further, at December 31, 2021, there were no other pronouncements pending adoption that are expected to have a material impact on the Company’s consolidated financial statements.

3. Acquisitions and divestitures

Acquisitions

On December 19, 2021, the Company entered into a definitive agreement to acquire Ball Metalpack Holding, LLC ("Ball Metalpack"), a leading manufacturer of sustainable metal packaging for food and household products and the largest aerosol can producer in North America, for $1,350,000 in cash subject to customary adjustments, including for working capital, cash and indebtedness. Ball Metalpack was a joint venture owned by Platinum Equity (51%) and Ball Corporation (49%). Previously part of Ball Corporation, Ball Metalpack was formed in 2018 and consists of eight manufacturing plants in the United States and a headquarters facility in Broomfield, Colorado. This acquisition fits the Company's strategy of investing in its core businesses as it complements its largest Consumer Packaging franchise – global rigid paper packaging. In addition, it further expands the Company's sustainable packaging portfolio with metal packaging. The acquisition of Ball Metalpack was completed on January 26, 2022. See Note 20 for additional information.

The Company completed four acquisitions during 2021 at a net cash cost of $20,697. On December 30, 2021, the Company completed the acquisition of a recycling facility from American Recycling of Western North Carolina, LLC ("American Recycling"), a privately held company, for total cash consideration of $6,267. The facility, located in Asheville, North Carolina, primarily services western North Carolina and upstate South Carolina for the processing of recycled materials. On November 8, 2021, the Company completed the acquisition of D&W Paper Tube Inc. ("D&W"), a privately owned manufacturer of paper tubes and cardboard cores, serving the carpet and textile industries and consisting of two manufacturing facilities in Chatsworth, Georgia, for total cash consideration of $12,787.

The preliminary fair values of the assets acquired and liabilities assumed in connection with the American Recycling and D&W acquisitions are as follows:

	American Recycling	D&W
Trade accounts receivable	$ 685	$ —
Inventories	169	934
Property, plant and equipment	2,726	929
Goodwill	989	4,108
Other intangible assets	2,236	7,100
Payable to suppliers	(373)	(284)
Other net tangible liabilities	(165)	—
Net Assets	$ 6,267	$ 12,787

The allocation of the purchase price of American Recycling and D&W to the tangible and intangible assets acquired and liabilities assumed was based on the Company's preliminary estimates of fair value, relying on information currently available. Management is continuing to finalize its valuations of certain assets and liabilities listed in the table above, and expects to complete its valuations within one year from their respective dates of acquisition. Goodwill for American Recycling and D&W, all of which is expected to be deductible for income tax purposes, consists of increased access to certain markets and the assembled workforce.

The Company also completed two smaller acquisitions earlier in 2021. These included Allied Packaging on August 3, 2021, a manufacturer of paper packaging and related manufacturing equipment, consisting of a single manufacturing facility in Sydney, Australia, for total cash consideration of $802, and TuboTec on March 8, 2021, a small tube and core operation in Brazil, for total cash consideration of $841.

The financial results of all the businesses acquired in 2021 are included in the Company's Industrial Paper Packaging segment from the date acquired. The Company does not believe that the results of the businesses acquired in 2021 were material to the years presented, individually or in the aggregate, and are therefore not subject to the supplemental pro-forma information required by ASC 805. Accordingly, this information is not presented herein.

The Company completed two acquisitions during 2020 at a net cash cost of $49,446. On August 3, 2020, the Company completed the acquisition of Can Packaging, a privately owned designer and manufacturer of sustainable paper packaging and related manufacturing equipment, based in Habsheim, France, for $45,473, net of cash acquired. Can Packaging operates two paper can manufacturing facilities in France, along with a research and development center where it designs and builds patented packaging machines and sealing equipment. The acquisition of Can Packaging expands Sonoco's ability to provide innovative recyclable packaging in various shapes and sizes. Goodwill for Can Packaging, none of which is expected to be deductible for income tax purposes, consists of increased access to certain markets. Can Packaging's financial results from the date acquired are included in the Company's Consumer Packaging segment. Final consideration was subject to a post-closing adjustment for the change in working capital to the date of closing. This settlement occurred in January 2021 and resulted in the Company making an additional cash payment of $1,512.

On January 10, 2020, the Company completed the acquisition of a small tube and core operation in Jacksonville, Florida, from Design Containers, Inc. ("Jacksonville"), for total cash consideration of $3,973. Goodwill for Jacksonville, all of which is expected to be deductible for income tax purposes, consists of increased access to certain markets. Jacksonville's financial results from the date acquired are included in the Company's Industrial Paper Packaging segment.

The Company does not believe that the results of the businesses acquired in 2020 were material to the years presented, individually or in the aggregate, and are therefore not subject to the requirements to provide supplemental pro-forma information. Accordingly, this information is not presented herein.

The Company completed two acquisitions during 2019 at a net cash cost of $297,926. On December 31, 2019, the Company completed the acquisition of Thermoform Engineered Quality, LLC, and Plastique Holdings, LTD, (together "TEQ"), for $187,292, net of cash acquired. The operations acquired consist of three thermoforming and extrusion facilities in the United States along with a thermoforming operation in the United Kingdom and thermoforming and molded-fiber manufacturing operation in Poland. The acquisition of TEQ provided a platform to further expand Sonoco's healthcare packaging business. Final consideration was subject to a post-closing adjustment for the change in working capital to the date of closing. This adjustment was settled in April 2020 resulting in the receipt of cash from the sellers totaling $185.

On August 9, 2019, the Company completed the acquisition of Corenso Holdings America, Inc. ("Corenso") for $110,634, net of cash acquired. Corenso is a leading manufacturer of uncoated recycled paperboard (URB) and high-performance cores used in the paper, packaging films, tape, and specialty industries. Corenso operates a 108,000-ton per year URB mill and core converting facility in Wisconsin Rapids, Wisconsin, as well as a core converting facility in Richmond, Virginia, expanding the Company's ability to produce a wide variety of sustainable coreboard grades.

Goodwill for both TEQ and Corenso is comprised of the assembled workforce and increased access to certain markets. The amount of goodwill expected to be deductible for income tax purposes is $59,005 for TEQ and $0 for Corenso. The results of operations of TEQ and Corenso are reflected in the Company's Consumer Packaging segment and the Industrial Paper Packaging segment, respectively.

The Company does not believe that the results of the businesses acquired in 2019 were material to the years presented, individually or in the aggregate, and are therefore not subject to the supplemental pro-forma information required by ASC 805. Accordingly, this information is not presented herein.

Divestitures

On April 4, 2021, the Company completed the sale of its U.S. display and packaging business, part of the All Other group of businesses, to Hood Container Corporation for $80,000 in cash. This business provided design, manufacturing and fulfillment of point-of-purchase displays, as well as contract packaging services, for consumer product customers and had approximately 450 employees. Its operations included eight manufacturing and fulfillment facilities and four sales and design centers.

The selling price was adjusted at closing for certain transaction expenses and for anticipated differences between targeted levels of working capital and the projected levels at the time of closing. Net cash proceeds of $79,704 were received on April 5, 2021 and the Company recognized a loss on the divestiture of this business of $5,516, before tax, in the first quarter of 2021. During the quarter ended October 3, 2021, the Company finalized the working capital settlement related to this sale. The settlement resulted in additional cash proceeds of $1,971 and the buyer's assumption of certain liabilities totaling $786. As a result, the Company recognized a reduction in the previously reported loss on the sale of this business of $2,757, before tax, in the third quarter of 2021, bringing the total loss on the sale of business to $2,759, before tax.

On September 30, 2021, the Company completed the sale of its Plastics - Food thermoforming operation in Wilson, North Carolina ("Wilson Thermoforming") to Placon for net cash proceeds of $3,528, resulting in the recognition of a pre-tax gain on the sale of $92.

Assets and liabilities disposed of in the sales of U.S. Display and Packaging and Wilson Thermoforming included the following:

	U.S. Display and Packaging	Wilson Thermoforming
Trade accounts receivable	$ 26,342	$ —
Inventories	8,434	1,805
Property, plant and equipment, net	9,551	550
Right of use asset - operating leases	11,627	147
Goodwill	53,039	1,058
Trade accounts payable	(10,735)	—
Accrued expenses	(2,197)	(54)
Operating lease liabilities	(12,343)	(70)
Other net tangible assets	716	—
Net asset disposal	$ 84,434	$ 3,436
Net proceeds	81,675	3,528
Loss/(Gain) on divestiture of business	$ 2,759	$ (92)

As previously disclosed, the Company completed the divestiture of its European contract packaging business, Sonoco Poland Packaging Services Sp. z.o.o., on November 30, 2020. The selling price of $120,000 was adjusted at closing for certain indebtedness assumed by the buyer and for anticipated differences between targeted levels of working capital and the projected levels at the time of closing. The Company received net cash proceeds at closing of $105,913, with the buyer funding an escrow account with an additional $4,600. In the second quarter of 2021, the Company received $6,366 in additional proceeds from the sale, which included the release of $4,000 from escrow plus a post-closing adjustment of $2,366 for the working capital settlement. The remaining $600 in escrow is expected to be released in the second quarter of 2022, pending any indemnity claims. The receipt of the additional cash proceeds is reflected in "Proceeds from the sale of businesses, net" in the Consolidated Statements of Cash Flows.

The decision to sell its global display and packaging businesses was part of the Company's efforts to simplify its operating structure to focus on growing its core Consumer and Industrial packaging businesses around the world. These sales are not expected to notably affect consolidated operating margin percentages, nor do they represent a strategic shift for the Company that will have a major effect on the entity’s operations and financial results. Consequently, the sales did not meet the criteria for reporting as discontinued operations. The net proceeds from the sales were used for general corporate purposes. There were no divestitures during 2019.

The Company continually assesses its operational footprint as well as its overall portfolio of businesses and may consider the divestiture of plants and/or business units it considers to be suboptimal or nonstrategic.

Acquisition and Divestiture-Related Costs

Acquisition and divestiture-related costs of $17,722, $4,671 and $8,842 were incurred in 2021, 2020 and 2019, respectively. These costs, consisting primarily of legal and professional fees, are included in “Selling, general and administrative expenses” in the Company’s Consolidated Statements of Income.

4. Restructuring and asset impairment

Due to its geographic footprint and the cost-competitive nature of its businesses, the Company is constantly seeking more cost-effective means and structures to serve its customers and to respond to fundamental changes in its markets. As such, restructuring costs have been and are expected to be a recurring component of the Company's operating costs. The amount of these costs can vary significantly from year to year depending upon the scope, nature, and location of the restructuring activities.

Following are the total restructuring and asset impairment charges, net of adjustments, recognized during the periods presented:

	Year Ended December 31,		
	2021	2020	2019
Restructuring and restructuring-related asset impairment charges	$ 9,176	$ 67,729	$ 44,819
Other asset impairments	5,034	77,851	15,061
Restructuring/Asset impairment charges	$ 14,210	$ 145,580	$ 59,880

The table below sets forth restructuring and restructuring-related asset impairment charges by type incurred:

	Year Ended December 31,		
	2021	2020	2019
Severance and Termination Benefits	$ 13,097	$ 36,997	$ 24,864
Asset Impairment/Disposal of Assets	(9,116)	22,394	9,674
Other Costs	5,195	8,338	10,281
Total restructuring and restructuring-related asset impairment charges	$ 9,176	$ 67,729	$ 44,819

The table below sets forth restructuring and restructuring-related asset impairment charges by reportable segment:

	Year Ended December 31,		
	2021	2020	2019
Consumer Packaging	3,427	25,548	$ 32,971
Industrial Paper Packaging	(1,642)	32,691	5,148
All Other	2,969	7,266	4,636
Corporate	4,422	2,224	2,064
Total restructuring and restructuring-related asset impairment charges	$ 9,176	$ 67,729	$ 44,819

"Restructuring and restructuring-related asset impairment charges" and "Other asset impairments" are included in "Restructuring/Asset impairment charges" in the Consolidated Statements of Income.

The following table sets forth the activity in the restructuring accrual included in "Accrued expenses and other" on the Company's Consolidated Balance Sheets:

Accrual Activity	*Severance and Termination Benefits*	*Asset Impairment/ Disposal of Assets*	*Other Costs*	*Total*
Liability, December 31, 2019	$ 10,765	$ —	$ 592	$ 11,357
2020 charges	36,997	22,394	8,338	67,729
Cash (payments)/receipts	(32,189)	6,963	(9,570)	(34,796)
Asset write downs/disposals	—	(29,357)	1,143	(28,214)
Foreign currency translation	382	—	8	390
Liability, December 31, 2020	$ 15,955	$ —	$ 511	$ 16,466
2021 charges	13,097	(9,116)	5,195	9,176
Cash (payments)/receipts	(17,828)	15,308	(6,313)	(8,833)
Asset write downs/disposals	—	(6,192)	2,479	(3,713)
Foreign currency translation	(307)	—	1	(306)
Liability, December 31, 2021	$ 10,917	$ —	$ 1,873	$ 12,790

"Severance and Termination Benefits" in 2021 include the cost of severance provided to employees terminated as the result of various plant closures, as well as certain employees impacted by Project Horizon who accepted severance packages in December 2021. Severance costs were also incurred for certain employees as a result of the sale of the Company's Plastics - Food thermoforming operations in the United States (part of the Consumer Packaging segment). In addition, the charges include the cost of severance for approximately 315 employees whose positions were eliminated in conjunction with the Company's ongoing organizational effectiveness efforts.

"Severance and Termination Benefits" in 2020 include the cost of severance provided to employees terminated as the result of the closures of a paper mill in Canada, a paper machine in the United States, a cone operation in Europe, and four tube and core plants, one in Europe and three in the United States (all part of the Industrial Paper Packaging segment); the closure of a paperboard specialties plant in the United States (part of the All Other group of businesses); and the closure of two graphic design operations, one in the United States and one in the United Kingdom (part of the Consumer Packaging segment). Severance costs were also incurred in the Consumer Packaging segment as a result of consolidation efforts in the Company's Plastics - Food thermoforming operations on the west coast of the United States and Mexico. This consolidation resulted in the closure of a manufacturing facility in the United States and the conversion of a manufacturing facility in Mexico into a warehouse and distribution center. In addition, the charges include the cost of severance for approximately 275 employees whose positions were eliminated in conjunction with the Company's ongoing organizational effectiveness efforts.

"Asset Impairment/Disposal of Assets" recognized in 2021 consists primarily of gains from the sale of real estate in the Industrial Paper Packaging segment, and gains from the sale of other assets impaired in the prior year as a result of consolidations in the Company's Plastics - Food thermoforming operations.

"Asset Impairment/Disposal of Assets" in 2020 consisted of asset impairment charges resulting from consolidations in the Company's Plastics - Food thermoforming operations, the closure of a paper mill in Canada, the closure of a paper machine in the United States, the closure of a graphic design operation in the United States, and various other restructuring actions during the year. These losses were partially offset by gains from the sales of a tubes and core facility in the United States and several other buildings associated with previously closed facilities.

"Other Costs" in 2021 and 2020 consist primarily of costs related to plant closures including equipment removal, utilities, plant security, property taxes and insurance.

The Company expects to pay the majority of the remaining restructuring reserves by the end of 2022 using cash generated from operations. The Company also expects to recognize future additional charges totaling approximately $2,000 in connection with previously announced restructuring actions and believes that the majority of these charges will be incurred and paid by the end of 2022. The Company continually evaluates its cost structure, including its manufacturing capacity, and additional restructuring actions are likely to be undertaken.

Other Asset Impairments

The Company recognized other asset impairment charges totaling $5,034 in the year ended December 31, 2021. These charges consisted of fixed asset impairments totaling $2,635 in the Company's Plastics - Food thermoforming operations, part of the Consumer Packaging segment, and $2,399 in the temperature-assured packaging business, part of the All Other group of businesses. The assets were impaired as the value of their projected undiscounted cash flows was determined to no longer be sufficient to recover their carrying value.

The Company recognized other asset impairment charges totaling $77,851 in 2020. In the fourth quarter of 2020, management concluded that certain long-lived assets of the Company's Plastics - Food thermoforming operations, part of the Consumer Packaging segment, were impaired as the projected undiscounted cash flows from these assets were not sufficient to recover their carrying value. As a result, the Company recognized pretax impairment charges of $39,604 on intangible assets, $22,899 on fixed assets, and $9,714 on leased assets for a total of $72,217. In addition, the Company recognized impairment charges totaling $2,155 related to certain intangible assets within the temperature-assured packaging business, part of the All Other group of businesses, as the value of the projected undiscounted cash flows from these assets was no longer sufficient to recover their carrying values, $2,563 related to fixed assets that were determined to be obsolete due to a change in strategy within the global Rigid Paper Containers business, part of the Consumer Packaging segment, and $916 related to certain buildings and inventory at its Hartsville manufacturing complex, part of the Industrial Paper Packaging segment, that were determined to have been rendered obsolete by the Company's new Project Horizon initiative.

These asset impairment charges are included in “Restructuring/Asset impairment charges” in the Company’s Consolidated Statements of Income.

5. Book overdrafts and cash pooling

At December 31, 2021 and 2020, outstanding checks totaling $36,759 and $29,719, respectively, were included in “Payable to suppliers” on the Company’s Consolidated Balance Sheets. In addition, outstanding payroll checks of $0 and $65 as of December 31, 2021 and 2020, respectively, were included in “Accrued wages and other compensation” on the Company’s Consolidated Balance Sheets.

The Company uses a notional pooling arrangement with an international bank to help manage global liquidity requirements. Under this pooling arrangement, the Company and its participating subsidiaries may maintain either cash deposit or borrowing positions through local currency accounts with the bank, so long as the aggregate position of the global pool is a notionally calculated net cash deposit. Because it maintains a security interest in the cash deposits, and has the right to offset the cash deposits against the borrowings, the bank provides the Company and its participating subsidiaries favorable interest terms on both. The Company's Consolidated Balance Sheets reflect a net cash deposit under this pooling arrangement of $19,502 and $4,809 as of December 31, 2021 and 2020, respectively.

6. Property, plant and equipment

Details of the Company's property, plant and equipment at December 31 are as follows:

		2021		*2020*
Land	$	112,714	$	119,262
Timber resources		42,355		42,310
Buildings		550,497		566,529
Machinery and equipment		3,179,781		3,191,008
Construction in progress		237,056		132,223
		4,122,402		4,051,332
Accumulated depreciation and depletion		(2,824,902)		(2,807,222)
Property, plant and equipment, net	$	1,297,500	$	1,244,110

Depreciation and depletion expense amounted to $189,667 in 2021, $201,004 in 2020 and $186,540 in 2019.

7. Leases

The Company routinely enters into leasing arrangements for real estate (including manufacturing facilities, office space, and warehouses), transportation equipment (automobiles, forklifts, and trailers), and office equipment (copiers and postage machines). The assessment of the certainty associated with the exercise of various lease renewal, termination, and purchase options included in the Company's lease contracts is at the Company's sole discretion. Most real estate leases, in particular, include one or more options to renew, with renewal terms that can extend the lease term from one to 50 years. The Company's leases do not have any significant residual value guarantees or restrictive covenants.

The following table sets forth the balance sheet location and values of the Company's lease assets and lease liabilities at December 31, 2021 and December 31, 2020:

Classification	Balance Sheet Location	December 31, 2021	December 31, 2020
Lease Assets			
Operating lease assets	Right of Use Asset - Operating Leases	$ 268,390	$ 296,020
Finance lease assets	Other Assets	55,826	36,267
Total lease assets		$ 324,216	$ 332,287
Lease Liabilities			
Current operating lease liabilities	Accrued expenses and other	$ 45,305	$ 52,138
Current finance lease liabilities	Notes payable and current portion of long-term debt	6,952	4,663
Total current lease liabilities		$ 52,257	$ 56,801
Noncurrent operating lease liabilities	Noncurrent Operating Lease Liabilities	$ 234,167	$ 262,048
Noncurrent finance lease liabilities	Long-term Debt, net of current portion	53,330	33,280
Total noncurrent lease liabilities		$ 287,497	$ 295,328
Total lease liabilities		$ 339,754	$ 352,129

Certain of the Company's leases include variable costs. Variable costs include lease payments that were volume or usage-driven in accordance with the use of the underlying asset, and also non-lease components that were incurred based upon actual terms rather than contractually fixed amounts. In addition, variable costs are incurred for lease payments that are indexed to a change in rate or index. Because the right of use asset recorded on the balance sheet was determined based upon factors considered at the commencement date, subsequent changes in the rate or index that were not contemplated in the right of use asset balances recorded on the balance sheet result in variable expenses being incurred when paid during the lease term.

The following table sets forth the components of the Company's total lease cost for the years ended December 31, 2021, 2020, and 2019:

Lease Cost		2021	2020	2019
Operating lease cost	(a)	$ 48,158	$ 58,678	$ 61,845
Finance lease cost:				
Amortization of lease asset	(a) (b)	5,747	7,387	6,965
Interest on lease liabilities	(c)	1,384	1,050	763
Variable lease cost	(a) (d)	26,198	36,758	51,616
Impairment charges	(e)	148	11,340	—
Total lease cost		$ 81,635	$ 115,213	$ 121,189

(a) Production-related and administrative amounts are included in cost of sales and selling, general and administrative expenses, respectively.
(b) Included in depreciation and amortization.
(c) Included in interest expense.
(d) Also includes short term lease costs, which are deemed immaterial.
(e) Impairment charges are included in "Restructuring/asset impairment charges" in the Company's Consolidated Statements of Income. See Note 4 for more information.

The following table sets forth the five-year maturity schedule of the Company's lease liabilities as of December 31, 2021:

Maturity of Lease Liabilities	Operating Leases	Finance Leases	Total
2022	$ 46,286	$ 7,034	$ 53,320
2023	42,665	7,249	49,914
2024	35,446	5,753	41,199
2025	29,366	5,032	34,398
2026	24,058	4,836	28,894
Beyond 2026	176,036	44,687	220,723
Total lease payments	$ 353,857	$ 74,591	$ 428,448
Less: Interest	74,385	14,309	88,694
Lease Liabilities	$ 279,472	$ 60,282	$ 339,754

With the January 2022 acquisition of Ball Metalpack, (see Note 20 - Subsequent Events), the annual maturity of lease liabilities is expected to increase.

The following tables set forth the Company's weighted average remaining lease term and discount rates used in the calculation of its outstanding lease liabilities at December 31, 2021, 2020, and 2019, along with other lease-related information for the years ended December 31, 2021, 2020, and 2019:

Lease Term and Discount Rate	**2021**	**2020**	**2019**
Weighted-average remaining lease term (years):			
Operating leases	11.8	11.8	10.2
Finance leases	13.5	12.9	3.8
Weighted-average discount rate:			
Operating leases	4.09%	4.28%	4.74%
Finance leases	2.86%	2.94%	2.97%

Other Information		**2021**		**2020**		**2019**
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows used by operating leases	$	50,479	$	58,305	$	61,532
Operating cash flows used by finance leases	$	1,384	$	1,050	$	763
Financing cash flows used by finance leases	$	4,699	$	7,437	$	7,989
Leased assets obtained in exchange for new operating lease liabilities	$	20,505	$	90,361	$	28,762
Leased assets obtained in exchange for new finance lease liabilities	$	14,643	$	23,117	$	24,106
Modification to leased assets for increase/(decrease) in operating lease liabilities	$	15,936	$	(9,947)		1,792
Modification to leased assets for increase/(decrease) in finance lease liabilities	$	9,586	$	14,005		(3,177)
Termination reclasses to decrease operating lease assets	$	(5,267)	$	(27,508)		(5,658)
Termination reclasses to decrease operating lease liabilities	$	(5,602)	$	(27,985)		(5,662)
Termination reclasses to decrease finance lease assets	$	(125)	$	(25,079)		(2,991)
Termination reclasses to decrease finance lease liabilities	$	(130)	$	(25,199)		(3,067)

8. Goodwill and other intangible assets

Goodwill

Effective January 1, 2021, the Company changed its operating and reporting structure and, as a result, realigned certain of its reportable segments. Accordingly, the beginning balances of goodwill by segment have been recast to conform with the new structure. Changes in the carrying amount of goodwill by segment for the year ended December 31, 2021, are as follows:

		Consumer Packaging		Industrial Paper Packaging		All Other		Total
Balance as of January 1, 2021	$	581,244	$	369,315	$	438,696	$	1,389,255
Acquisitions		—		6,014		—		6,014
Divestitures		(1,058)		—		(53,039)		(54,097)
Measurement period adjustments		1,512		—		—		1,512
Foreign currency translation		(9,282)		(7,549)		(1,352)		(18,183)
Balance as of December 31, 2021	$	572,416	$	367,780	$	384,305	$	1,324,501

Goodwill from 2021 acquisitions relates to the first quarter acquisition of TuboTec and the fourth quarter acquisitions of D&W and American Recycling. Divestitures relate to the divestiture of the Company's U.S display and packaging business in the first quarter of 2021 and the divestiture of a small Plastics - Food thermoforming operation. Measurement period adjustments relate to final working capital settlements made in the first quarter of 2021 for the prior-year acquisition of Can Packaging. See Note 3 for additional information.

The Company assesses goodwill for impairment annually during the third quarter, or from time to time when warranted by the facts and circumstances surrounding individual reporting units or the Company as a whole. The Company completed its most recent annual goodwill impairment testing during the third quarter of 2021, and analyzed certain qualitative and quantitative factors in determining whether a goodwill impairment existed. The Company's assessments reflected a number of significant management assumptions and estimates including the Company's forecast of sales growth, gross profit margins, and discount rates. Changes in these assumptions could materially impact the Company's conclusions. Based on its assessments, the Company concluded that there was no impairment of goodwill for any of its reporting units.

Although no reporting units failed the annual impairment test, in management’s opinion, the goodwill of the Plastics - Healthcare reporting unit is at risk of impairment in the near term if the reporting unit's operations do not perform in line with management's expectations, or if there is a negative change in the long-term outlook for the business or in other factors such as the discount rate.

Although beginning to benefit from economic recovery, the results of the Plastics – Healthcare reporting unit have been negatively impacted by end-market weakness due to the COVID-19 pandemic. In addition, the unit is facing near-term headwinds from higher raw material and other cost increases. Assuming COVID-19 infection rates continue to decline, management expects market demand will improve over the coming year and that selling price increases and/or cost reductions, including restructuring actions and investments in production efficiency projects, will mitigate the impacts of recent raw material and other cost inflation. However, should it become apparent that the ongoing post-COVID-19 recovery is likely to be significantly weaker, delayed, or prolonged compared to management's current expectations, significant negative price/cost relationships will persist over the long-term, or gross profit margins do not improve as expected, goodwill impairment charges may be possible in the future.

In its annual goodwill impairment analysis as of October 3, 2021, projected future cash flows for the Plastics - Healthcare reporting unit were discounted at 8.3%. Total goodwill associated with this reporting unit was $64,263 at December 31, 2021. In the latest annual impairment test, the estimated fair value of the Plastics - Healthcare reporting unit was determined to exceed its carrying value by approximately 13.3% . Based on the discounted cash flow model and holding other valuation assumptions constant, projected operating profits across all future periods would have to be reduced approximately 13.0%, or the discount rate increased to 9.3%, in order for the estimated fair value of the reporting unit to fall below carrying value.

During the time subsequent to the annual evaluation, and at December 31, 2021, the Company considered whether any events and/or changes in circumstances had resulted in the likelihood that the goodwill of any of its reporting units may have been impaired. It is management's opinion that no such events have occurred.

Other intangible assets

Details at December 31 are as follows:

		2021		*2020*
Other Intangible Assets, Gross:				
Patents	$	29,315	$	29,325
Customer lists		592,195		622,430
Trade names		32,043		32,088
Proprietary technology		22,846		22,813
Other		2,807		2,831
Other Intangible Assets, Gross	$	679,206	$	709,487
Accumulated Amortization:				
Patents	$	(16,275)	$	(14,511)
Customer lists		(347,274)		(339,159)
Trade names		(14,106)		(12,156)
Proprietary technology		(21,394)		(19,833)
Other		(2,014)		(1,894)
Accumulated Amortization	$	(401,063)	$	(387,553)
Other Intangible Assets, Net	$	278,143	$	321,934

The acquisitions of D&W in November 2021 and American Recycling in December 2021 resulted in the addition of $7,100 and $2,236, respectively, of intangible assets, primarily related to customer lists. These intangibles will be amortized over an average useful life of 10 years.

Aggregate amortization expense on intangible assets was $49,419, $52,899 and $51,580 for the years ended December 31, 2021, 2020 and 2019, respectively. Amortization expense on intangible assets is expected to approximate $45,800 in 2022, $41,800 in 2023, $33,500 in 2024, $25,200 in 2025 and $21,700 in 2026 based on intangible assets as of December 31, 2021. With the January 2022 acquisition of Ball Metalpack, (see Note 20 - Subsequent Events), annual amortization expense is expected to increase.

9. Debt

Details of the Company's debt at December 31 were as follows:

	2021	2020
Commercial paper, average rate of 0.16% in 2021 and 0.75% in 2020	$ 349,000	$ —
1.00% Euro loan due May 2021	—	183,662
9.2% debentures due August 2021	—	4,320
4.375% debentures due November 2021	—	249,741
3.125% debentures due May 2030	595,342	594,687
5.75% debentures due November 2040	536,182	599,279
Other foreign denominated debt, average rate of 3.0% in 2021 and 2.2% in 2020	55,432	15,522
Finance lease obligations	60,282	37,943
Other notes	14,424	15,070
Total debt	$ 1,610,662	$ 1,700,224
Less current portion and short-term notes	411,557	455,784
Long-term debt	$ 1,199,106	$ 1,244,440

On June 30, 2021, the Company entered into a new five-year $750,000, unsecured revolving credit facility which replaced an existing credit facility entered into on July 20, 2017, and reflects substantially the same terms and conditions. Consistent with prior facilities, the new revolving credit facility supports the Company's $500,000 commercial paper program. Based on the pricing grid, the Credit Agreement and Sonoco's current credit ratings, a London Interbank Offering Rate (LIBOR) borrowing has an all-in drawn margin of 125.0 basis points. On September 21, 2021, the Company borrowed $50,000 from the revolving credit facility. These borrowings were repaid in full on October 1, 2021.

On April 28, 2021, the Company commenced a cash tender offer to purchase up to $300,000 of the $600,000 outstanding principal amount of its 5.75% notes due November 2040. Upon expiration of the tender on May 25, 2021, the Company repurchased 10.53% of its outstanding 5.75% notes for a total cash cost of $81,961, as shown below:

	Principal Amount Tendered	Premium and Other Amounts Paid	Total Cash Paid
5.75% debentures due November 2040	$ 63,206	$ 18,755	$ 81,961

On April 28, 2021, the Company entered into a reverse treasury lock agreement intended to fix the cash cost to fund approximately $100,000 of the maximum $300,000 principal amount subject to being tendered. The settlement of the reverse treasury lock on May 13, 2021 resulted in a loss of $1,356. In addition, the Company wrote off a proportional share of unamortized bond issuance costs and unamortized original issue discounts associated with the 5.75% notes. These non-cash write-offs net to $73, which combined with the hedge loss and premium and other amounts paid, resulted in a pretax loss from the early extinguishment of debt totaling $20,184.

The Company's 1%, 150,000 euro-denominated debt matured on May 25, 2021, and a U.S. dollar equivalent cash payment of $177,780 was made to settle the debt. On April 7, 2021, the Company entered into two forward contracts to buy a total of 150,000 euros, to manage foreign currency risk related to the Company's funding of the debt repayment upon maturity. The Company recognized a gain of $4,387 upon the May 21, 2021 maturity of these forward contracts. The gain is included in "Selling, general and administrative expenses" on the Company's Consolidated Statements of Income for the year ended December 31, 2021 and the proceeds from the settlement of the contracts and the debt maturity payment are reflected in "Net cash (used)/provided by financing activities" in the Company's Consolidated Statement of Cash Flows for the year ended December 31, 2021.

On August 1, 2021, the Company repaid its $250,000, 4.375% debentures without penalty ahead of their November 2021 maturity. Also on August 1, 2021, the Company repaid its $4,321, 9.2% debentures upon their maturity.

The principal requirements of debt maturing in the next five years are:

	2022	2023	2024	2025	2026
Debt maturities by year	$ 411,557	$ 7,992	$ 6,131	$ 5,306	$ 4,992

As of December 31, 2021, the Company has scheduled debt maturities through the next twelve months of $411,557 including $349,000 of outstanding commercial paper. At December 31, 2021, the Company has $170,978 in cash and cash equivalents on hand and $750,000 in committed capacity under its revolving credit facility, of which $401,000 was available for drawdown, net of outstanding commercial paper balances. The Company believes that these amounts, combined with expected net cash flows from operating activities, provide ample liquidity to cover these debt maturities and other cash flow needs of the Company over the course of the next year.

In addition, the Company had $195,417 available under unused short-term lines of credit at December 31, 2021. These short-term lines of credit are available for general corporate purposes of our subsidiaries, including working capital and hedging requirements.

On January 21, 2022, the Company completed a registered public offering of unsecured notes with an aggregate principal amount of $1,200,000. Also, on January 21, 2022, the Company entered into a new $300,000 term loan facility with a syndicate of 8 banks. Proceeds from the notes and the term loan, together with commercial paper borrowings, were used to fund the Ball Metalpack acquisition. See Note 20 for additional information.

Certain of the Company’s debt agreements impose restrictions with respect to the maintenance of financial ratios and the disposition of assets. The most restrictive covenants currently require the Company to maintain a minimum level of interest coverage, and a minimum level of net worth, as defined in the agreements. As of December 31, 2021, the Company's interest coverage and net worth were substantially above the minimum levels required under these covenants.

10. Financial instruments and derivatives

The following table sets forth the carrying amounts and fair values of the Company’s significant financial instruments for which the carrying amount differs from the fair value.

	December 31, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, net of current portion	$ 1,199,106	$ 1,434,711	$ 1,244,440	$ 1,538,132

The carrying value of cash and cash equivalents and short-term debt approximates fair value. The fair value of long-term debt is determined based on recent trade information in the financial markets of the Company’s public debt or is determined by discounting future cash flows using interest rates available to the Company for issues with similar terms and maturities. It is considered a Level 2 fair value measurement.

Cash Flow Hedges

At December 31, 2021 and 2020, the Company had derivative financial instruments outstanding to hedge anticipated transactions and certain asset and liability related cash flows. These contracts, which have maturities ranging to December 2022, qualify as cash flow hedges under U.S. GAAP. For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings and is presented in the same income statement line item as the earning effect of the hedged item.

Commodity Cash Flow Hedges

Certain derivative contracts entered into to manage the cost of anticipated purchases of natural gas and aluminum have been designated by the Company as hedges. At December 31, 2021, these contracts included natural gas swaps covering approximately 1.7 million MMBTUs. The Company also has certain natural gas hedges that it does not treat as Cash Flow Hedges. See Other Derivatives below for a discussion of these hedges. The fair values of the Company’s commodity cash flow hedges netted to a gain position of $1,491 at December 31, 2021 and a loss position of $(647) at December 31, 2020. The amount of the gain included in accumulated other comprehensive loss at December 31, 2021 expected to be reclassified to the income statement during the next twelve months is $1,491.

Foreign Currency Cash Flow Hedges

The Company has entered into forward contracts to hedge certain anticipated foreign currency denominated sales, purchases, and capital spending expected to occur in 2022. The net positions of these contracts at December 31, 2021, were as follows (in thousands):

Currency	Action	Quantity
Colombian peso	Purchase	26,964,039
Mexican peso	Purchase	478,872
Polish zloty	Purchase	86,960
Czech koruna	Purchase	66,323
Turkish lira	Purchase	16,776
Canadian dollar	Purchase	15,862
Euro	Purchase	7,315
British pound	Purchase	3,541
New Zealand dollar	Sell	(290)
Australian dollar	Sell	(422)
Russian ruble	Sell	(89,271)

The fair value of the Company’s foreign currency cash flow hedges related to forecasted sales and purchases netted to a gain position of $336 and $555 at December 31, 2021 and December 31, 2020, respectively. Gains of $336 are expected to be reclassified from accumulated other comprehensive loss to the income statement during the next twelve months. In addition, the Company has entered into forward contracts to hedge certain foreign currency cash flow transactions related to equipment purchases denominated in a foreign currency. As of December 31, 2021 and December 31, 2020, the net position of these contracts was $(457) and $47, respectively. During the twelve months ended December 31, 2021, losses from these hedges totaling $(330) were reclassified from accumulated other comprehensive loss and included in the carrying value of the capitalized expenditures. Losses of $(457) are expected to be reclassified from accumulated other comprehensive loss and included in the carrying value of the related fixed assets acquired during the next twelve months.

Net Investment Hedge

In January 2020, the Company entered into a cross-currency swap agreement with a notional amount of $250,000 to effectively convert a portion of the Company's fixed-rate, U.S. dollar denominated debt, including the semi-annual interest payments, to fixed-rate euro-denominated debt. The risk management objective was to manage foreign currency risk relating to net investments in certain European subsidiaries denominated in foreign currencies. As a result of significant strengthening of the U.S. dollar and a reduction in the differential between U.S. and European interest rates, the fair market value of the swap position appreciated significantly during the first quarter of 2020. In March 2020, the

Company terminated the swap agreement and received a net cash settlement of $14,480. The Company recorded this foreign currency translation gain in "Accumulated other comprehensive loss," net of a tax provision of $7,581.

Other Derivatives

The Company routinely enters into forward contracts to economically hedge the currency exposure of intercompany debt and foreign currency denominated receivables and payables. The Company does not apply hedge accounting treatment under ASC 815 for these instruments. As such, changes in fair value are recorded directly to income and expense in the periods that they occur. The net positions of these contracts at December 31, 2021, were as follows (in thousands):

Currency	*Action*	*Quantity*
Colombian peso	Purchase	28,089,457
Indonesian rupiah	Purchase	21,279,953
Mexican peso	Purchase	357,895
Turkish lira	Purchase	38,142
Thai Baht	Purchase	16,436
Canadian dollar	Purchase	2,682

In addition to the contracts designated as cash flow hedges described above, the Company has entered into derivative contracts to manage the cost of anticipated purchases of natural gas. At December 31, 2021, these contracts consisted of natural gas swaps covering approximately 3.9 million MMBTUs. The Company's designated and non-designated natural gas derivative contracts total approximately 5.6 million MMBTUs and represent approximately 73% of anticipated natural gas usage in North America for 2022.

Pursuant to the registered public offering of unsecured 2.85% notes with a principal amount of $500,000 maturing on February 1, 2032, the Company entered into treasury lock derivative instruments with two banks, with a notional principal amount of $150,000 each on December 29, 2021. These instruments had the risk management objective of reducing exposure to the Company of increases in the underlying Treasury index up to the date of pricing of the notes. The fair value of the contracts was a net loss position of $(550) at December 31, 2021. The derivatives were settled when the bonds priced on January 11, 2022, with the Company recognizing a gain on the settlement of $5,201.

The fair value of the Company's other derivatives were net gains of $92 and $599 at December 31, 2021 and 2020, respectively.

The following table sets forth the location and fair values of the Company's derivative instruments at December 31, 2021 and 2020:

Description	*Balance Sheet Location*	*Fair Value at December 31*			
		2021		*2020*	
Derivatives designated as hedging instruments:					
Commodity Contracts	Prepaid expenses	$	1,599	$	867
Commodity Contracts	Accrued expenses and other	$	(108)	$	(1,512)
Commodity Contracts	Other liabilities	$	—	$	(2)
Foreign Exchange Contracts	Prepaid expenses	$	848	$	997
Foreign Exchange Contracts	Accrued expenses and other	$	(969)	$	(395)
Derivatives not designated as hedging instruments:					
Commodity Contracts	Prepaid expenses	$	1,815	$	484
Commodity Contracts	Accrued expenses and other	$	(1,132)		
Foreign Exchange Contracts	Prepaid expenses	$	135	$	140
Foreign Exchange Contracts	Accrued expenses and other	$	(176)	$	(25)
Interest Rate Lock Contract	Accrued expenses and other	$	(550)	$	—

While certain of the Company's derivative contract arrangements with its counterparties provide for the ability to settle contracts on a net basis, the Company reports its derivative positions on a gross basis. There are no collateral arrangements or requirements in these agreements.

The following tables set forth the effect of the Company's derivative instruments on financial performance for the year ended December 31, 2021 and December 31, 2020, excluding the gains on foreign currency cash flow hedges that were reclassified from accumulated other comprehensive loss to the carrying value of the capitalized expenditures:

Description	*Amount of Gain or (Loss) Recognized in OCI on Derivatives*	*Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income*	*Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income*
Derivatives in Cash Flow Hedging Relationships:			
Year Ended December 31, 2021			
Foreign Exchange Contracts	$ 210	Net sales	$ 3,212
		Cost of sales	$ (2,544)
Commodity Contracts	$ 10,039	Cost of sales	$ 7,794
Year Ended December 31, 2020			
Foreign Exchange Contracts	$ (3,596)	Net sales	$ (6,662)
		Cost of sales	$ 3,576
Commodity Contracts	$ (227)	Cost of sales	$ (1,213)

Description	*Gain or (Loss) Recognized*	*Location of Gain or (Loss) Recognized in Income Statement*
Derivatives not Designated as Hedging Instruments:		
Year Ended December 31, 2021		
Commodity Contracts	$ 1,118	Selling, general and administrative
Foreign Exchange Contracts	$ (737)	Selling, general and administrative
Interest Rate Lock Contracts	$ (550)	Selling, general and administrative
Year Ended December 31, 2020		
Commodity Contracts	$ 226	Cost of sales
Foreign Exchange Contracts	$ (358)	Selling, general and administrative

	Year Ended December 31, 2021		*Year Ended December 31, 2020*	
Description	*Revenue*	*Cost of Sales*	*Revenue*	*Cost of Sales*
Total amount of income and expense line items presented in the Consolidated Statements of Income	$ 3,212	$ 5,250	$ (6,662)	$ 2,363
Gain or (loss) on cash flow hedging relationships:				
Foreign exchange contracts:				
Amount of gain or (loss) reclassified from accumulated other comprehensive income into net income	$ 3,212	$ (2,544)	$ (6,662)	$ 3,576
Commodity contract:				
Amount of gain or (loss) reclassified from accumulated other comprehensive income into net income	$ —	$ 7,794	$ —	$ (1,213)

11. Fair value measurements

Fair value is defined as exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 – Observable inputs such as quoted market prices in active markets;

Level 2 – Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following tables set forth information regarding the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Description	*December 31, 2021*	*Assets measured at NAV (g)*	*Level 1*	*Level 2*	*Level 3*
Hedge derivatives, net:					
Commodity contracts	$ 1,491	$ —	$ —	$ 1,491	$ —
Foreign exchange contracts	(121)	—	—	(121)	—
Non-hedge derivatives, net:					
Commodity contracts	683			683	
Foreign exchange contracts	(41)	—	—	(41)	—
Interest rate lock contract	(550)		—	(550)	—
Postretirement benefit plan assets:					
Common Collective(a)	$ 8,882	$ 8,882	$ —	$ —	$ —
Mutual funds(b)	118,559	—	—	118,559	—
Fixed income securities(c)	292,883	41,120	—	251,763	—
Short-term investments(d)	1,211	—	—	1,211	—
Real estate funds(f)	592	592	—	—	—
Cash and accrued income	8,920	—	8,920	—	—
Total postretirement benefit plan assets	$ 431,047	$ 50,594	$ 8,920	$ 371,533	$ —

Description	*December 31, 2020*	*Assets measured at NAV (g)*	*Level 1*	*Level 2*	*Level 3*
Hedge derivatives, net:					
Commodity contracts	$ (647)	$ —	$ —	$ (647)	$ —
Foreign exchange contracts	602	—	—	602	—
Non-hedge derivatives, net:					
Commodity contracts	484			484	
Foreign exchange contracts	115	—	—	115	—
Postretirement benefit plan assets:					
Common Collective(a)	$ 7,750	$ 7,750	$ —	$ —	$ —
Mutual funds(b)	152,756	—	—	152,756	—
Fixed income securities(c)	1,533,149	1,297,826	17	235,306	—
Short-term investments(d)	1,223	—	—	1,223	—
Hedge fund of funds(e)	67	67	—	—	—
Real estate funds(f)	552	552	—	—	—
Cash and accrued income	117,638	—	117,638	—	—
Total postretirement benefit plan assets	$ 1,813,135	$ 1,306,195	$ 117,655	$ 389,285	$ —

a. Common collective trust investments consist of domestic and international large and mid capitalization equities, including emerging markets and funds invested in both short-term and long-term bonds. Underlying investments are generally valued at closing prices from national exchanges. Commingled funds, private securities, and limited partnerships are valued at unit values or net asset values provided by the investment managers.

b. Mutual fund investments are comprised of equity securities of corporations with large capitalizations and also include funds invested in corporate equities in international and emerging markets and funds invested in long-term bonds, which are valued at closing prices from national exchanges.

c. Fixed income securities include funds that invest primarily in government securities and long-term bonds. Underlying investments are generally valued at closing prices from national exchanges, fixed income pricing models, and independent financial analysts. Fixed income commingled funds are valued at unit values provided by the investment managers.

d. Short-term investments include several money market funds used for managing overall liquidity. Underlying investments are generally valued at closing prices from national exchanges. Commingled funds are valued at unit values provided by the investment managers.
e. The hedge fund of funds category includes investments in funds representing a variety of strategies intended to diversify risks and reduce volatility. It includes event-driven credit and equity investments targeted at economic policy decisions, long and short positions in U.S. and international equities, arbitrage investments and emerging market equity investments. Investments are valued at unit values or net asset values provided by the investment managers.
f. This category includes investments in real estate funds (including office, industrial, residential and retail). Underlying real estate securities are generally valued at closing prices from national exchanges.
g. Certain assets that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

The Company's pension plan assets comprise more than 97% of its total postretirement benefit plan assets. Accordingly, the assets of the Company's various pension plans and retiree health and life insurance plans are not shown separately, but are combined in the tables above. Postretirement benefit plan assets are netted against postretirement benefit obligations to determine the funded status of each plan. The funded status is recognized in the Company's Consolidated Balance Sheets as shown in Note 13.

As discussed in Note 10, the Company uses derivatives to mitigate some of the effect of raw material and energy cost fluctuations, foreign currency fluctuations and, from time to time, interest rate movements. Fair value measurements for the Company's derivatives are classified under Level 2 because such measurements are estimated based on observable inputs such as interest rates, yield curves, spot and future commodity prices and spot and future exchange rates.

The Company does not currently have any nonfinancial assets or liabilities that are recognized or disclosed at fair value on a recurring basis. None of the Company's financial assets or liabilities are measured at fair value using significant unobservable inputs. There were no transfers in or out of Level 1 or Level 2 fair value measurements during the years ended December 31, 2021 or 2020. For additional fair value information on the Company's financial instruments, see Note 10.

12. Share-based compensation plans

The Company provides share-based compensation to certain employees and non-employee directors in the form of restricted stock units, performance contingent restricted stock units, and other share-based awards. Beginning in 2019, share-based awards were issued pursuant to the Sonoco Products Company 2019 Omnibus Incentive Plan (the "2019 Plan"), which became effective upon approval by the shareholders on April 17, 2019. Awards issued from 2014 through 2018 were issued pursuant to the Sonoco Products Company 2014 Long-Term Incentive Plan (the "2014 Plan").

A total of 12,000,000 shares of common stock are reserved for awards granted under the 2019 Plan. As of the April 17, 2019 effective date, the 2019 Plan superseded the 2014 Plan and became the only plan under which equity-based compensation may be awarded to employees and non-employee directors. However, any awards under any of the prior plans that were outstanding on the effective date of the 2019 Plan remain subject to the terms and conditions, and continue to be governed by such prior plans. Awards issued between January 1 and April 16, 2019 were effectively issued under the 2019 Plan when such awards were transferred over to be applied against the 2019 Plan's reserve. Share reserve reductions for restricted and performance-based stock awards originally granted under the 2014 Plan were weighted higher than stock appreciation rights in accordance with the shareholder-approved conversion formula included within the 2019 Plan. Awards granted under all previous plans which are forfeited, expire or are canceled without delivery of shares, or which result in forfeiture of shares back to the Company, will be added to the total shares available under the 2019 Plan. At December 31, 2021, a total of 8,494,373 shares remain available for future grant under the 2019 Plan. The Company issues new shares for stock appreciation right exercises and stock unit conversions. The Company's stock-based awards to non-employee directors have not been material.

Accounting for share-based compensation

Total compensation cost for share-based payment arrangements was $22,608, $10,607 and $14,334, for 2021, 2020 and 2019, respectively. The related tax benefit recognized in net income was $5,715, $2,686, and $3,500, for the same years, respectively. Share-based compensation expense is included in "Selling, general and administrative expenses" in the Consolidated Statements of Income. The Company accounts for forfeitures of its share-based payment arrangements as they occur.

An "excess" tax benefit is created when the tax deduction for an exercised stock appreciation right, exercised stock option or converted stock unit exceeds the compensation cost that has been recognized in income. The additional net excess tax benefit realized was $1,110, $2,528 and $3,520 for 2021, 2020 and 2019, respectively.

Restricted Stock Units

The Company grants awards of restricted stock units (RSUs) to executive officers and certain key management employees. These awards vest over a three-year period with one-third vesting on each anniversary date of the grant. The expense for these RSUs is recognized following the graded-vesting method, which results in front-loaded expense being recognized during the early years of the required service period. For grants awarded prior to 2021, participants must be actively employed by the Company on the vesting date for shares to be issued, except in the event of the participant's death, disability, or involuntary (or good reason) termination within two years of a change in control prior to full vesting, in which case shares will immediately vest. For the 2021 grant, in the event of the participant's death, disability or retirement prior to full vesting, shares will be issued on a pro rata basis up through the time the participant's employment or service ceases. Once vested, these awards do not expire.

The Company from time to time grants special RSUs to certain of its executive officers and directors. These awards normally vest over a five-year period with one-third vesting on each of the third, fourth and fifth anniversaries of the grant, but in some circumstances may vest over a shorter period, or cliff vest at the end of the five-year period. Normally a participant must be actively employed by, or serving as a director of, the Company on the vesting date for shares to be issued, but the Company may make other arrangements in connection with termination of employment prior to the vesting date. Officers and directors can elect to defer receipt of RSUs, but key management employees are required to take receipt of stock issued. The weighted-average grant-date fair value of RSUs granted was $57.77, $54.16 and $57.76 per share in 2021, 2020 and 2019, respectively. The fair value of shares vesting during the year was $4,063, $3,277, and $3,217 for 2021, 2020 and 2019, respectively.

Noncash stock-based compensation associated with restricted stock grants totaled $8,278, $4,549 and $3,351 for 2021, 2020 and 2019, respectively. As of December 31, 2021, there was $8,061 of total unrecognized compensation cost related to nonvested restricted stock units. This cost is expected to be recognized over a weighted-average period of 46 months.

The activity related to restricted stock units for the year ended December 31, 2021 is as follows:

	Nonvested	*Vested*	*Total*	*Average Grant Date Fair Value Per Share*
Outstanding, December 31, 2020	209,583	75,863	285,446	$ 50.19
Granted	201,570	—	201,570	$ 57.77
Vested	(68,231)	68,231	—	
Converted	—	(64,093)	(64,093)	$ 53.28
Cancelled	(12,053)	—	(12,053)	$ 55.98
Dividend equivalents	1,728	2,263	3,991	$ 62.95
Outstanding, December 31, 2021	332,597	82,264	414,861	$ 53.32

Performance Contingent Restricted Stock Units

The Company grants performance contingent restricted stock units (PCSUs) annually on a discretionary basis to executive officers and certain key management employees. The ultimate number of PCSUs awarded is dependent upon the degree to which performance, relative to defined targets related to earnings, return on invested capital, and return on net assets employed, are achieved over a three-year performance cycle. PCSUs granted vest at the end of the three-year performance period if the respective performance targets are met. No units will be awarded if the performance targets are not met. Upon vesting, PCSUs are convertible into common shares on a one-for-one basis. Except in the event of the participant's death, disability, or retirement, if a participant is not employed by the Company at the end of the performance period, no PCSUs will vest. However, in the event of the participant’s death, disability or retirement prior to full vesting, shares will be issued on a pro rata basis up through the time the participant’s employment or service ceases. In the event of a change in control, as defined under the 2014 Plan and the 2019 Plan, all unvested PCSUs will vest at target on a pro rata basis if the change in control occurs during the three-year performance period.

The activity related to performance contingent restricted stock units for the year ended December 31, 2021 is as follows:

	Nonvested	*Vested*	*Total*	*Average Grant Date Fair Value per Share*
Outstanding, December 31, 2020	157,122	166,432	323,554	$49.15
Granted	145,696	—	145,696	$55.95
Performance adjustments	256,711	—	256,711	$54.28
Vested	(64,243)	64,243	—	
Converted	—	(133,960)	(133,960)	$46.34
Cancelled	(14,633)	—	(14,633)	$54.79
Dividend equivalents	—	938	938	$62.95
Outstanding, December 31, 2021	480,653	97,653	578,306	$53.67

2021 PCSU. As of December 31, 2021, the 2021 PSCUs to be awarded are estimated to range from 0 to 285,724 units and are tied to the three-year performance period ending December 31, 2023.

2020 PCSU. As of December 31, 2021, the 2020 PSCUs to be awarded are estimated to range from 0 to 297,648 units and are tied to the three-year performance period ending December 31, 2022.

2019 PCSU. The performance cycle for the 2019 PCSUs was completed on December 31, 2021. Outstanding stock units of 64,243 were determined to have been earned. The fair value of these units was $3,719 as of December 31, 2021.

2018 PCSU. The performance cycle for the 2018 PCSUs was completed on December 31, 2020. Outstanding stock units of 139,886 were determined to have been earned. The fair value of these units was $8,288 as of December 31, 2020.

2017 PCSU. The performance cycle for the 2017 PCSUs was completed on December 31, 2019. Outstanding stock units of 84,522 units were determined to have been earned. The fair value of these units was $5,217 as of December 31, 2019.

The weighted-average grant-date fair value of PCSUs granted was $55.95, $52.00, and $56.04 per share in 2021, 2020 and 2019, respectively. Noncash stock-based compensation associated with PCSUs totaled $11,477, $2,023 and $5,171 for 2021, 2020 and 2019, respectively. As of December 31, 2021, there was approximately $14,259 of total unrecognized compensation cost related to nonvested PCSUs. This cost is expected to be recognized over a weighted-average period of 21 months.

Stock appreciation rights

Through 2019, the Company granted stock appreciation rights (SARs) annually on a discretionary basis to key employees. These SARs had an exercise price equal to the closing market price on the date of the grant and can be settled only in stock. The SARs granted from 2015 through 2019 vest over three years, with one-third vesting on each anniversary date of the grant, and have 10-year terms. Unvested SARs are cancelable upon termination of employment, except in the case of death, disability, or involuntary (or good reason) termination within two years of a change in control.

SARs expense is recognized following the graded-vesting method, which results in front-loaded expense being recognized during the early years of the required service period. As of December 31, 2021, unrecognized compensation cost related to nonvested SARs totaled $40. This cost will be recognized over the remaining weighted-average vesting period of approximately 2 months. Noncash stock-based compensation expense associated with SARs totaled $347, $1,442, and $3,227 for 2021, 2020,and 2019, respectively.

The aggregate intrinsic value of SARS exercised during 2021, 2020, and 2019 was $2,575, $2,771, and $11,836, respectively. The weighted-average grant date fair value of SARs granted was $8.30 per share in 2019. No SARs were granted during 2021 and 2020.

The Company computed the estimated fair values of all SARs granted during 2019 using the Black-Scholes option-pricing model applying the assumptions set forth in the following table:

	2019
Expected dividend yield	2.7 %
Expected stock price volatility	16.6 %
Risk-free interest rate	2.6 %
Expected life of SARs	6 years

The assumptions employed in the calculation of the fair value of SARs were determined as follows:

- Expected dividend yield – the Company's annual dividend divided by the stock price at the time of grant.
- Expected stock price volatility – based on historical volatility of the Company's common stock measured weekly for a time period equal to the expected life.
- Risk-free interest rate – based on U.S. Treasury yields in effect at the time of grant for maturities equal to the expected life.
- Expected life – calculated using the simplified method as prescribed in U.S. GAAP, where the expected life is equal to the sum of the vesting period and the contractual term divided by two.

The activity related to the Company's SARs for the year ended December 31, 2021 is as follows:

	Nonvested	*Vested*	*Total*	*Weighted-average Exercise Price*
Outstanding, December 31, 2020	397,677	873,751	1,271,428	$ 53.83
Vested	(259,687)	259,687	—	
Granted	—	—	—	$ —
Exercised	—	(363,102)	(363,102)	$ 50.95
Forfeited/Expired	(13,826)	(14,829)	(28,655)	$ 53.12
Outstanding, December 31, 2021	124,164	755,507	879,671	$ 55.03
Exercisable, December 31, 2021	—	755,507	755,507	$ 54.08

The weighted average remaining contractual life for SARs outstanding and exercisable at December 31, 2021 was 6.1 years and 5.9 years, respectively. The aggregate intrinsic value for SARs outstanding and exercisable at December 31, 2021 was $3,598 and $2,800, respectively. At December 31, 2021, the fair market value of the Company's stock used to calculate intrinsic value was $57.89 per share.

Deferred compensation plans

Certain officers of the Company receive a portion of their compensation, either current or deferred, in the form of stock equivalent units. Units are granted as of the day the cash compensation would have otherwise been paid using the closing price of the Company's common stock on that day. Deferrals into stock equivalent units are converted into phantom stock equivalents as if Sonoco shares were actually purchased. The units immediately vest and earn dividend equivalents. Units are distributed in the form of common stock upon retirement over a period elected by the employee.

Non-employee directors may elect to defer a portion of their cash retainer or other fees (except chair retainers) into phantom stock equivalent units as if Sonoco shares were actually purchased. The deferred stock equivalent units accrue dividend equivalents, and are issued in shares of Sonoco common stock six months following termination of Board service. Directors must elect to receive these deferred distributions in one, three or five annual installments.

The activity related to deferred compensation for equity award units granted to both employees and non-employee directors combined is as follows:

	Total
Outstanding, December 31, 2020	372,413
Deferred	38,127
Converted	(40,527)
Dividend equivalents	10,744
Outstanding, December 31, 2021	380,757

Deferred compensation for employees and directors of $2,507, $2,593, and $2,585, which will be settled in Company stock at retirement, was deferred during 2021, 2020, and 2019, respectively.

13. Employee benefit plans

Retirement plans and retiree health and life insurance plans

The Company provides non-contributory defined benefit pension plans for certain of its employees in the United States, Mexico, Belgium, Germany, Greece, France, and Turkey. The Company also sponsors contributory defined benefit pension plans covering certain of its employees in the United Kingdom, Canada and the Netherlands, and provides postretirement healthcare and life insurance benefits to a limited number of its retirees and their dependents in the United States and Canada, based on certain age and/or service eligibility requirements.

The Company froze participation in its U.S. qualified defined benefit pension plan for newly hired salaried and non-union hourly employees effective December 31, 2003. To replace this benefit, the Company provides non-union U.S. employees hired on or after January 1, 2004, with an annual contribution, called the Sonoco Retirement Contribution (SRC), to their participant accounts in the Sonoco Retirement and Savings Plan.

The U.S. qualified defined benefit pension plan was further amended to freeze plan benefits for all active, non-union participants effective December 31, 2018. Former active participants in the U.S. qualified plan became eligible for SRC contributions effective January 1, 2019.

In October 2021, the Sonoco Retirement and Savings Plan was further amended to eliminate the SRC and to increase the Company's 401(k) matching contribution effective as of December 31, 2021.

The components of net periodic benefit cost include the following:

	2021	2020	2019
Retirement Plans			
Service cost	$ 3,916	$ 3,969	$ 3,968
Interest cost	24,186	51,297	57,348
Expected return on plan assets	(22,888)	(50,733)	(65,143)
Amortization of prior service cost	900	1,006	1,022
Amortization of net actuarial loss	16,503	28,833	30,681
Effect of settlement loss	550,706	854	2,377
Effect of curtailment loss	—	32	—
Net periodic benefit cost	$ 573,323	$ 35,258	$ 30,253
Retiree Health and Life Insurance Plans			
Service cost	$ 374	$ 358	$ 308
Interest cost	197	336	467
Expected return on plan assets	(444)	(371)	(718)
Amortization of prior service credit	—	(279)	(498)
Amortization of net actuarial gain	(744)	(834)	(823)
Net periodic benefit income	$ (617)	$ (790)	$ (1,264)

The following tables set forth the Plans' obligations and assets at December 31:

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2021	2020	2021	2020
Change in Benefit Obligation				
Benefit obligation at January 1	$ 2,092,297	$ 1,976,197	$ 14,880	$ 14,495
Service cost	3,916	3,969	374	358
Interest cost	24,186	51,297	197	336
Plan participant contributions	14	165	—	443
Plan amendments	608	419	—	—
Actuarial (gain)/loss	(138,157)	149,264	(939)	356
Benefits paid	(66,641)	(96,257)	(768)	(1,122)
Impact of foreign exchange rates	(4,999)	13,482	1	14
Effect of settlements	(1,396,494)	(2,463)	—	—
Effect of curtailments	(97)	(3,776)	—	—
Benefit obligation at December 31	$ 514,633	$ 2,092,297	$ 13,745	$ 14,880

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2021	2020	2021	2020
Change in Plan Assets				
Fair value of plan assets at January 1	$ 1,799,109	$ 1,683,520	$ 14,026	$ 12,881
Actual return on plan assets	(46,148)	188,695	(84)	1,372
Company contributions	140,226	17,282	768	626
Plan participant contributions	14	165	—	443
Benefits paid	(66,641)	(96,257)	(768)	(1,122)
Impact of foreign exchange rates	(4,630)	13,667	—	—
Effect of settlements	(1,396,494)	(2,752)	—	—
Expenses paid	(8,331)	(5,211)	—	(174)
Fair value of plan assets at December 31	$ 417,105	$ 1,799,109	$ 13,942	$ 14,026
Funded Status of the Plans	$ (97,528)	$ (293,188)	$ 197	$ (854)

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2021	2020	2021	2020
Total Recognized Amounts in the Consolidated Balance Sheets				
Noncurrent assets	$ 70,221	$ 26,814	$ 1,758	$ 553
Current liabilities	(10,375)	(150,310)	(1,055)	(849)
Noncurrent liabilities	(157,374)	(169,692)	(506)	(558)
Net liability	$ (97,528)	$ (293,188)	$ 197	$ (854)

Items not yet recognized as a component of net periodic pension cost that are included in Accumulated Other Comprehensive Loss as of December 31, 2021 and 2020, are as follows:

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2021	2020	2021	2020
Net actuarial loss/(gain)	$ 111,481	$ 742,374	$ (6,357)	$ (6,689)
Prior service cost	6,288	6,351	—	—
	$ 117,769	$ 748,725	$ (6,357)	$ (6,689)

The amounts recognized in Other Comprehensive Loss/(Income) include the following:

	Retirement Plans						Retiree Health and Life Insurance Plans					
	2021		2020		2019		2021		2020		2019	
Adjustments arising during the period:												
Net actuarial loss/(gain)	$	(63,684)	$	12,452	$	146,414	$	(412)	$	(468)	$	(914)
Prior service cost/(credit)	$	837	$	1,229	$	1,667	$	—	$	—	$	—
Net settlements/curtailments	$	(550,706)	$	(886)	$	(2,377)	$	—	$	—	$	—
Reversal of amortization:												
Net actuarial (loss)/gain	$	(16,503)	$	(28,833)	$	(30,681)	$	744	$	834	$	823
Prior service (cost)/credit	$	(900)	$	(1,006)	$	(1,022)	$	—	$	279	$	498
Total recognized in other comprehensive loss/(income)	$	(630,956)	$	(17,044)	$	114,001	$	332	$	645	$	407
Total recognized in net periodic benefit cost and other comprehensive loss/(income)	$	(57,633)	$	18,214	$	144,254	$	(285)	$	(145)	$	(857)

The accumulated benefit obligation for all defined benefit plans was $504,944 and $2,081,850 at December 31, 2021 and 2020, respectively.

The projected benefit obligation (PBO), accumulated benefit obligation (ABO) and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were, $228,127, $223,657 and $61,686, respectively, as of December 31, 2021, and $1,788,070, $1,783,883 and $1,468,068, respectively, as of December 31, 2020.

Plan termination, settlements, changes and amendments

In July 2019, the Company's Board of Directors approved a resolution to terminate the Sonoco Pension Plan for Inactive Participants (the "Inactive Plan"), a tax-qualified defined benefit plan, effective September 30, 2019. Following completion of a limited lump sum offering in April 2021, the Company settled all remaining liabilities under the Inactive Plan in June 2021 through the purchase of annuities. The Company made additional net contributions of $124,432 to the Inactive Plan in 2021 in order to be fully funded on a termination basis at the time of the annuity purchase. Non-cash, pretax settlement charges totaling $538,722 were recognized in 2021 as the lump sum payouts and annuity purchases were made. The termination of the Inactive Plan applied to participants who had separated service from Sonoco and to non-union active employees who no longer accrued pension benefits. There was no change in the cumulative benefit previously earned by the approximately 11,000 participants affected by these actions. The Company continues to manage and support the Active Plan, comprised of approximately 700 active participants who continue to accrue benefits in accordance with a flat-dollar multiplier formula.

Additional settlement charges totaling $11,984 and $854 were recognized in 2021 and 2020, respectively, primarily as a result of activity in our Canadian plans, including settlement charges in 2021 from the annuitization of the Trenton Union Plan in Ontario, Canada. This plan was terminated in June 2020 and the participants were fully annuitized in December 2021. Settlements in 2020 resulted from lump-sum payments to certain participants of the Company's other Canadian pension plans who elected a lump-sum distribution option upon retirement.

Projected benefit payments

The following table sets forth the Company’s projected benefit payments for the next ten years:

Year	Retirement Plans		Retiree Health and Life Insurance Plans	
2022	$	23,934	$	1,183
2023	$	23,564	$	1,163
2024	$	23,999	$	1,141
2025	$	25,129	$	1,116
2026	$	27,620	$	1,096
2026-2030	$	129,131	$	4,971

Assumptions

The following tables set forth the major actuarial assumptions used in determining the benefit obligation and net periodic cost:

Weighted-average assumptions used to determine benefit obligations at December 31	*U.S. Retirement Plans*	*U.S. Retiree Health and Life Insurance Plans*	*Foreign Plans*
Discount Rate			
2021	2.77 %	2.48 %	2.22 %
2020	2.32 %	2.04 %	1.70 %
Rate of Compensation Increase			
2021	— %	3.01 %	3.21 %
2020	— %	3.03 %	3.20 %

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31	*U.S. Retirement Plans*	*U.S. Retiree Health and Life Insurance Plans*	*Foreign Plans*
Discount Rate			
2021	2.32 %	2.04 %	1.70 %
2020	2.87 %	2.89 %	2.28 %
2019	4.24 %	4.02 %	3.11 %
Expected Long-term Rate of Return			
2021	3.27 %	2.01 %	3.69 %
2020	2.93 %	2.93 %	4.10 %
2019	6.63 %	6.73 %	4.62 %
Rate of Compensation Increase			
2021	— %	3.03 %	3.20 %
2020	— %	3.04 %	3.37 %
2019	— %	3.06 %	3.65 %

The Company adjusts its discount rates at the end of each fiscal year based on yield curves of high-quality debt instruments over durations that match the expected benefit payouts of each plan. The expected long-term rate of return assumption is based on the Company's current and expected future portfolio mix by asset class, and expected nominal returns of these asset classes using an economic "building block" approach. Expectations for inflation and real interest rates are developed and various risk premiums are assigned to each asset class based primarily on historical performance. The assumed rate of compensation increase reflects historical experience and management's expectations regarding future salary and incentive increases.

Medical trends

The U.S. Retiree Health and Life Insurance Plan makes up approximately 95% of the Retiree Health liability. Therefore, the following information relates to the U.S. plan only.

Healthcare Cost Trend Rate	*Pre-age 65*	*Post-age 65*
2021	6.91 %	8.27 %
2020	6.00 %	6.00 %
Ultimate Trend Rate	*Pre-age 65*	*Post-age 65*
2021	4.45 %	4.40 %
2020	4.50 %	4.50 %
Year at which the Rate Reaches the Ultimate Trend Rate	*Pre-age 65*	*Post-age 65*
2021	2030	2030
2020	2026	2026

Based on amendments to the U.S. plan approved in 1999, which became effective in 2003, cost increases borne by the Company are limited to the Urban CPI, as defined.

Retirement plan assets

The following table sets forth the weighted-average asset allocations of the Company's retirement plans at 2021 and 2020, by asset category.

Asset Category		*U.S.*		*U.K.*		*Canada*	
Equity securities	2021	23.5	%	32.8	%	33.6	%
	2020	0.6	%	41.4	%	34.8	%
Debt securities	2021	72.0	%	66.6	%	66.4	%
	2020	92.2	%	58.1	%	55.4	%
Cash and short-term investments	2021	4.5	%	0.6	%	—	%
	2020	7.2	%	0.5	%	9.8	%
Total	2021	100.0	%	100.0	%	100.0	%
	2020	100.0	%	100.0	%	100.0	%

The Company employs a total-return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a desired level of risk. Alternative assets such as real estate funds, private equity funds and hedge funds may also be used to enhance expected long-term returns while improving portfolio diversification. Risk tolerance is established through consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through periodic investment portfolio reviews and periodic asset/liability studies.

At December 31, 2021, postretirement benefit plan assets totaled $431,047, of which $51,715, $304,582, and $50,837 were assets of the U.S., U.K. and Canadian Defined Benefit Plans, respectively.

U.S. defined benefit plans

The Company has adopted investment guidelines for both the Active and Inactive Plans based on asset/liability studies for each. These guidelines established a dynamic derisking framework for gradually shifting the allocation of assets to long-duration domestic fixed income from equity and other asset categories, as the relative funding ratio of each plan increased over time. Beginning in 2019, the Company accelerated the derisking measures in its U.S. defined benefit plans by reallocating plan assets to a more conservative mix of primarily fixed income investments. Subsequent to these derisking actions, the Inactive Plan was terminated effective September 30, 2019 and fully settled in June 2021. As of December 31, 2021, only the Active Plan remains. The current target allocation (midpoint) for the Active Plan investment portfolio is: Equity Securities - 20% and Debt Securities – 80%.

United Kingdom defined benefit plan

The equity investments consist of direct ownership and funds and are diversified among U.K. and international stocks of small and large capitalizations. The current target allocation (midpoint) for the investment portfolio is: Equity Securities – 32% and Debt Securities – 68%.

Canada defined benefit plan

The equity investments consist of direct ownership and funds and are diversified among Canadian and international stocks of primarily large capitalizations and short to intermediate duration corporate and government bonds. The current target allocation (midpoint) for the investment portfolio is 28% Equity Securities and 72% Debt Securities.

Retiree health and life insurance plan assets

The following table sets forth the weighted-average asset allocations by asset category of the Company's retiree health and life insurance plan.

Asset Category	*2021*	*2020*
Equity securities	—%	—%
Debt securities	100.0%	100.0%
Cash	—%	—%
Total	100.0%	100.0%

Contributions

Based on current actuarial estimates, the Company anticipates that contributions to its defined benefit plans will be approximately $16,000 in 2022. No assurances can be made about funding requirements beyond 2022, however, as they will depend largely on actual investment returns and future actuarial assumptions.

Sonoco Retirement and Savings Plan

The Sonoco Retirement and Savings Plan is a defined contribution retirement plan provided for certain of the Company's U.S. employees. The plan is comprised of both an elective and non-elective component.

The elective component of the plan, which is designed to meet the requirements of section 401(k) of the Internal Revenue Code, allows participants to set aside a portion of their wages and salaries for retirement and encourages saving by matching a portion of their contributions with contributions from the Company. The plan provides for participant contributions of 1% to 100% of gross pay. Since January 1, 2010, the Company has matched 50% on the first 4% of compensation contributed by the participant as pretax contributions which are immediately fully vested. The Company's expenses related to the plan for 2021, 2020 and 2019 were approximately $13,900, $13,700 and $13,400, respectively.

The non-elective component of the plan, the Sonoco Retirement Contribution (SRC), is available to certain employees who are not currently active participants in the Company's U.S. qualified defined benefit pension plan. The SRC provides for an annual Company contribution of 4% of all eligible pay plus 4% of eligible pay in excess of the Social Security wage base to eligible participant accounts. Participants are fully vested after three years of service or upon reaching age 55, if earlier. The Company's expenses related to the plan for 2021, 2020 and 2019 were approximately $22,914, $23,505 and $23,752, respectively. Cash contributions to the SRC totaled $22,665, $22,503 and $14,573 in 2021, 2020 and 2019, respectively, and are expected to total approximately $22,000 in 2022.

In October 2021, the Company's Board of Directors approved an amendment to the Sonoco Retirement and Savings Plan to eliminate the SRC and to increase the Company's 401(k) matching contribution to 100% of the first 6% of pretax and/or Roth compensation contributed by the participant effective as of December 31, 2021. The amendment is expected to be neutral to total expense in 2022, but will be negative to operating cash flows in 2022 due to the timing of funding 401(k) matching contributions subsequent to each pay period compared with the annual funding of the SRC.

Other plans

The Company also provides retirement and postretirement benefits to certain other non-U.S. employees through various Company-sponsored and local government sponsored defined contribution arrangements. For the most part, the liabilities related to these arrangements are funded in the period they arise. The Company's expenses for these plans were not material for all years presented.

14. Income taxes

The provision for taxes on income for the years ended December 31 consists of the following:

		2021		2020		2019
Pretax income						
Domestic	$	(342,951)	$	54,397	$	217,098
Foreign		181,969		201,195		163,668
Total pretax income	$	(160,982)	$	255,592	$	380,766
Current						
Federal	$	21,247	$	10,868	$	14,933
State		15,212		4,608		2,565
Foreign		55,018		42,764		45,911
Total current	$	91,477	$	58,240	$	63,409
Deferred						
Federal	$	(120,243)	$	432	$	25,064
State	$	(39,709)	$	512		8,599
Foreign		1,045		(6,154)		(3,803)
Total deferred	$	(158,907)	$	(5,210)	$	29,860
Total taxes	$	(67,430)	$	53,030	$	93,269

Deferred tax (liabilities)/assets are comprised of the following at December 31:

		2021		2020
Property, plant and equipment	$	(97,806)	$	(91,752)
Intangibles		(96,057)		(110,796)
Leases		(75,587)		(79,531)
Gross deferred tax liabilities	$	(269,450)	$	(282,079)
Retiree health benefits	$	2,935	$	4,065
Foreign loss carryforwards		76,462		81,143
U.S. Federal loss and credit carryforwards		34,700		78,100
Capital loss carryforwards		4,050		3,121
Employee benefits		46,503		47,134
Leases		78,518		84,076
Accrued liabilities and other assets		75,611		69,341
Gross deferred tax assets	$	318,779	$	366,980
Valuation allowance on deferred tax assets	$	(93,992)	$	(128,435)
Total deferred taxes, net	$	(44,663)	$	(43,534)

The Company has total federal net operating loss carryforwards of approximately $53,675 remaining at December 31, 2021. These losses are limited based upon future taxable earnings of the Company and expire between 2030 and 2036. U.S. foreign tax credit carryforwards of approximately $21,769 exist at December 31, 2021 and expire in 2027. Foreign subsidiary loss carryforwards of approximately $307,002 remain at December 31, 2021. Their use is limited to future taxable earnings of the respective foreign subsidiaries or filing groups. Approximately $191,458 of these loss carryforwards do not have an expiration date. Of the remaining foreign subsidiary loss carryforwards, approximately $16,951 expire within the next five years and approximately $98,594 expire between 2027 and 2041. Foreign subsidiary capital loss carryforwards of approximately $16,187 exist at December 31, 2021 and do not have an expiration date. Their use is limited to future capital gains of the respective foreign subsidiaries.

Approximately $11,086 in tax value of state loss carryforwards and $16,636 of state credit carryforwards remain at December 31, 2021. These state loss and credit carryforwards are limited based upon future taxable earnings of the respective entities or filing group and expire between 2022 and 2041. State loss and credit carryforwards are reflected at their "tax" value, as opposed to the amount of expected gross deduction due to the vastly different apportionment and statutory tax rates applicable to the various entities and states in which the Company files.

A reconciliation of the U.S. federal statutory tax rate to the actual (benefit from)/provision for income taxes is as follows:

		2021				2020				2019		
Statutory tax rate	$	(33,806)	21.0	%	$	53,674	21.0	%	$	79,961	21.0	%
State income taxes, net of federal tax benefit		(15,863)	9.9	%		4,859	1.9	%		7,767	2.0	%
Valuation allowance		(33,576)	20.9	%		1,589	0.6	%		3,174	0.8	%
Tax examinations including change in reserve for uncertain tax positions		5,665	(3.5)	%		5,546	2.2	%		(1,639)	(0.4)	%
Adjustments to prior year deferred taxes		1,239	(0.8)	%		(265)	(0.1)	%		(499)	(0.1)	%
Foreign earnings taxed at other than U.S. rates		9,659	(6.0)	%		3,275	1.3	%		5,083	1.3	%
Divestiture of business		(808)	0.5	%		(15,356)	(6.0)	%		—	—	%
Effect of tax rate changes		275	(0.2)	%		(523)	(0.2)	%		531	0.1	%
Foreign withholding taxes		8,107	(5.0)	%		2,157	0.8	%		2,015	0.5	%
Tax credits		(21,936)	13.6	%		(13,529)	(5.3)	%		(13,310)	(3.5)	%
Global intangible low-taxed income (GILTI)		11,323	(7.0)	%		15,795	6.2	%		12,340	3.2	%
Foreign-derived intangible income		(202)	0.1	%		(1,238)	(0.5)	%		(1,225)	(0.3)	%
Foreign currency gain/(loss) on distributions of previously taxed income		3,365	(2.1)	%		(344)	(0.1)	%		—	—	%
Other, net		(872)	0.5	%		(2,610)	(1.1)	%		(929)	(0.2)	%
(Benefit from)/Provision for income taxes	$	(67,430)	41.9	%	$	53,030	20.7	%	$	93,269	24.4	%

The total amount of the one-time transition tax on certain accumulated foreign earnings as part of the Tax Cuts and Jobs Act ("Tax Act") was $80,580. Under the provisions of the Tax Act, the transition tax is payable in installments over a period of 8 years. The first two installments were paid in 2018 and 2019 with the filing of the Company's 2017 and 2018 U.S. income tax returns. The liability is further reduced by the deemed overpayment of federal income taxes. In 2021 the Company amended its 2017 U.S. income tax return to reflect a decrease in the transition tax from the increased use of foreign tax credits. The resulting overpayment reduced the remaining installment payments by $44,500. The remaining obligation of $1,795 is included in "Other Liabilities" in the Company's Consolidated Balance Sheet at December 31, 2021.

The change in “Tax examinations including change in reserve for uncertain tax positions” is shown net of associated deferred taxes and accrued interest. Included in the change are net increases in reserves for uncertain tax positions of approximately $2,330, $1,866 and $1,832 for uncertain items arising in 2021, 2020 and 2019, respectively, combined with adjustments related to prior year items, primarily decreases related to lapses of statutes of limitations in international, federal and state jurisdictions as well as overall changes in facts and judgment. These adjustments changed the reserve by a total of approximately $3,743, $(2,601) and $(3,471) in 2021, 2020 and 2019, respectively.

In many of the countries in which the Company operates, earnings are taxed at rates different than in the U.S. This difference is reflected in “Foreign earnings taxed at other than U.S. rates” along with other items, if any, that impacted taxes on foreign earnings in the periods presented.

The benefits included in “Adjustments to prior year deferred taxes” for each of the years presented consist primarily of adjustments to deferred tax assets and liabilities arising from changes in estimates.

The benefits included in "Divestiture of business" relate to the sale of the Company's European contract packaging business.

Of the $21,936 of tax credits for 2021, $8,208 directly offsets the $11,323 of GILTI tax, resulting in a net GILTI tax of $3,115. Of the remainder, $10,980 relates to Research & Development tax credits, which is made up of amounts for both 2021 and 2020 tax years.

The benefits included in "Valuation allowance" include a $39,843 net recognized benefit associated with the amendment of the Company's 2017 U.S. income tax return to report increased utilization of its foreign tax credits.

The Company maintains its assertion that its undistributed foreign earnings are indefinitely reinvested and, accordingly, has not recorded any deferred income tax liabilities that would be due if those earnings were repatriated. As of December 31, 2021, these undistributed earnings total $849,720. While the majority of these earnings have already been taxed in the U.S., a portion would be subject to foreign withholding and U.S. income taxes and credits if distributed. Computation of the deferred tax liability associated with unremitted earnings deemed to be indefinitely reinvested is not practicable at this time.

Reserve for uncertain tax positions

The following table sets forth the reconciliation of the gross amounts of unrecognized tax benefits at the beginning and ending of the periods indicated:

		2021		2020		2019
Gross Unrecognized Tax Benefits at January 1	$	11,230	$	12,200	$	14,400
Increases in prior years’ unrecognized tax benefits		12,283		91		—
Decreases in prior years’ unrecognized tax benefits		(275)		(464)		(1,300)
Increases in current year's unrecognized tax benefits		1,088		1,569		1,300
Decreases in unrecognized tax benefits from the lapse of statutes of limitations		(6,170)		(1,866)		(2,300)
Settlements		(14)		(300)		100
Gross Unrecognized Tax Benefits at December 31	$	18,142	$	11,230	$	12,200

Of the unrecognized tax benefit balances at December 31, 2021 and December 31, 2020, $17,425 and $10,470, respectively, would have an impact on the effective tax rate if ultimately recognized.

Interest and/or penalties related to income taxes are reported as part of income tax expense. The Company had $875 and $2,006 accrued for interest related to uncertain tax positions at December 31, 2021 and December 31, 2020, respectively. Tax expense for the year ended December 31, 2021, includes an interest benefit of $1,131, which is comprised of an interest benefit of $1,396 related to the adjustment of prior years' items and interest expense of $265 on unrecognized tax benefits. The amounts listed above for accrued interest and interest expense do not reflect the benefit of a federal tax deduction which would be available if the interest were ultimately paid.

The Company and/or its subsidiaries file federal, state and local income tax returns in the United States and various foreign jurisdictions. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2015.

The Company believes that it is reasonably possible that the amount reserved for uncertain tax positions at December 31, 2021 will decrease by $224 over the next twelve months. This change includes the anticipated increase in reserves related to existing positions offset by settlements of issues currently under examination and the release of existing reserves due to the expiration of the statute of limitations. Although the Company's estimate for the potential outcome for any uncertain tax issue is highly judgmental, management believes that any reasonably foreseeable outcomes related to these matters have been adequately provided for. However, future results may include favorable or unfavorable adjustments to estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitation on potential assessments expire. Additionally, the jurisdictions in which earnings or deductions are realized may differ from current estimates. As a result, the effective tax rate may fluctuate significantly on a quarterly basis. The Company has operations in many countries outside of the United States and the taxes paid on those earnings are subject to varying rates. The Company is not dependent upon the favorable benefit of any one jurisdiction to an extent that loss of those benefits would have a material effect on the Company's overall effective tax rate.

As previously disclosed, in February 2017 the Company received a Notice of Proposed Adjustment (“NOPA”) from the Internal Revenue Service ("IRS") proposing adjustments to the 2012 and 2013 tax years. In 2018, the Company filed a protest to the proposed deficiency and the matter was referred to the Appeals Division of the IRS. In the second quarter of 2021, the Company paid $5,613 in taxes and interest to settle the dispute.

15. Revenue Recognition

The Company changed its operating and reporting structure in January 2021, realigning certain of its reportable segments. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining business reported as All Other. The Company's reportable segments are aligned by product nature as disclosed in Note 18. Previously reported amounts have been recast to conform to the current year presentation.

The following tables set forth information about revenue disaggregated by primary geographic regions for the years ended December 31, 2021, 2020 and 2019. The tables also include a reconciliation of disaggregated revenue with reportable segments.

Year Ended December 31, 2021	**Consumer Packaging**	**Industrial Paper Packaging**	**All Other**	**Total**
Primary geographical markets:				
United States	$ 1,607,810	$ 1,421,684	$ 620,596	$ 3,650,090
Europe	444,734	408,093	88,828	941,655
Canada	117,492	94,780	—	212,272
Asia Pacific	82,882	316,841	1,280	401,003
Other	115,429	222,914	47,075	385,418
Total	$ 2,368,347	$ 2,464,312	$ 757,779	$ 5,590,438

Year Ended December 31, 2020	**Consumer Packaging**	**Industrial Paper Packaging**	**All Other**	**Total**
Primary geographical markets:				
United States	$ 1,581,639	$ 1,177,903	$ 651,721	$ 3,411,263
Europe	394,473	328,410	332,947	1,055,830
Canada	96,457	84,968	—	181,425
Asia Pacific	74,823	241,163	684	316,670
Other	82,467	159,030	30,758	272,255
Total	$ 2,229,859	$ 1,991,474	$ 1,016,110	$ 5,237,443

Year Ended December 31, 2019	Consumer Packaging	Industrial Paper Packaging	All Other	Total
Primary geographical markets:				
United States	$ 1,571,030	$ 1,178,904	$ 658,525	$ 3,408,459
Europe	368,417	346,102	364,247	1,078,766
Canada	108,848	117,201	—	226,049
Asia Pacific	70,504	278,401	1,354	350,259
Other	89,775	177,272	43,627	310,674
Total	$ 2,208,574	$ 2,097,880	$ 1,067,753	$ 5,374,207

Contract assets represent goods produced without alternative use for which the Company is entitled to payment with margin prior to shipment. Upon shipment, the Company is entitled to bill the customer, and therefore amounts included in contract assets will be reduced with the recording of an account receivable as they represent an unconditional right to payment. Contract liabilities represent revenue deferred due to pricing mechanisms utilized by the Company in certain multi-year arrangements, volume rebates, and receipts of advanced payments. For multi-year arrangements with pricing mechanisms, the Company will generally defer revenue during the initial term of the arrangement, and will release the deferral over the back half of the contract term. Contract assets and liabilities are generally short in duration given the nature of products produced by the Company.

The following table sets forth information about contract assets and liabilities from contracts with customers. The balances of the contract assets and liabilities are located in "Other receivables" and "Accrued expenses and other" on the Consolidated Balance Sheets.

	December 31, 2021	December 31, 2020
Contract Assets	$ 51,106	$ 48,390
Contract Liabilities	(18,993)	(16,687)

Significant changes in the contract assets and liabilities balances during the twelve months ended December 31, 2021 and 2020 were as follows:

	December 31, 2021		December 31, 2020	
	Contract Asset	Contract Liability	Contract Asset	Contract Liability
Beginning balance	$ 48,390	$ (16,687)	$ 56,364	$ (17,047)
Revenue deferred or rebates accrued	—	(36,527)	—	(32,512)
Recognized as revenue	—	7,238	—	9,189
Rebates paid to customers	—	26,983	—	23,683
Increases due to rights to consideration for customer specific goods produced, but not billed during the period	51,106	—	48,390	—
Transferred to receivables from contract assets recognized at the beginning of the period	(48,390)	—	(56,364)	—
Ending balance	$ 51,106	$ (18,993)	$ 48,390	$ (16,687)

16. Commitments and contingencies

Pursuant to U.S. GAAP, accruals for estimated losses are recorded at the time information becomes available indicating that losses are probable and that the amounts are reasonably estimable. As is the case with other companies in similar industries, the Company faces exposure from actual or potential claims and legal proceedings from a variety of sources. Some of these exposures, as discussed below, have the potential to be material.

Environmental matters

The Company is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which it operates.

Spartanburg

In connection with its acquisition of Tegrant in November 2011, the Company identified potential environmental contamination at a site in Spartanburg, South Carolina. The total remediation cost of the Spartanburg site was estimated to be $17,400 at the time of the acquisition and an accrual in this amount was recorded on Tegrant's opening balance sheet. Since the acquisition, the Company has spent a total of $1,845 on remediation of the Spartanburg site.

Based on favorable developments at the Spartanburg site, the Company reduced its estimated environmental reserve by $10,000 during the third quarter of 2019 in order to reflect its revised best estimate of what it is likely to pay in order to complete the remediation. This adjustment resulted in a $10,000 reduction in "Selling, general and administrative expenses" in the Company's Consolidated Statement of Income for the year ended December 31, 2019.

At December 31, 2021 and 2020, the Company's accrual for environmental contingencies related to the Spartanburg site totaled $5,555 and $5,700, respectively. The Company cannot currently estimate its potential liability, damages or range of potential loss, if any, beyond the amounts accrued with respect to this exposure. However, the Company does not believe that the resolution of this matter has a reasonable possibility of having a material adverse effect on the Company's financial statements.

Other environmental matters

The Company has been named as a potentially responsible party at several other environmentally contaminated sites. All of the sites are also the responsibility of other parties. The potential remediation liabilities are shared with such other parties, and, in most cases, the Company's share, if any, cannot be reasonably estimated at the current time. However, the Company does not believe that the resolution of these matters has a reasonable possibility of having a material adverse effect on the Company's financial statements. At December 31, 2021 and 2020, the Company's accrual for these other sites totaled $1,825 and $2,433, respectively.

Summary

As of December 31, 2021 and 2020, the Company (and its subsidiaries) had accrued $7,380 and $8,133, respectively, related to environmental contingencies. These accruals are included in “Accrued expenses and other” on the Company's Consolidated Balance Sheets.

Other legal and regulatory matters

As previously disclosed, in February 2017 the Company received a Notice of Proposed Adjustment (“NOPA”) from the Internal Revenue Service (“IRS”) proposing adjustments to the 2012 and 2013 tax years. In 2018, the Company filed a protest to the proposed deficiency and the matter was referred to the Appeals Division of the IRS. In the second quarter of 2021, the Company paid $5,613 in taxes and interest to settle the dispute.

Commitments

As of December 31, 2021, the Company had long-term obligations to purchase electricity and steam, which it uses in its production processes, as well as long-term purchase commitments for certain raw materials, principally old corrugated containers. These purchase commitments require the Company to make total payments of approximately $99,271, as follows: $81,398 in 2022; $15,153 in 2023; $1,419 in 2024, $1,301 in 2025, and a total of $0 from 2026 through 2030.

17. Shareholders' equity and earnings per share

Share repurchases

On April 20, 2021, the Company's Board of Directors (the "Board") authorized the repurchase of the Company's common stock in an aggregate amount of up to $350,000. Following the transactions described below, a total of $137,972 remains available for share repurchases under this authorization as of December 31, 2021.

On May 6, 2021, the Company repurchased approximately 53,500 shares for $3,615 from a private stockholder based upon the average stock price on that day.

On May 10, 2021, the Company entered into an accelerated share repurchase agreement ("ASR Agreement") with a financial institution to repurchase outstanding shares of the Company's common stock. In exchange for an upfront payment of $150,000, which was funded with available cash on hand, the financial institution delivered 1,751,825 initial shares to the Company, representing 80% of the expected number of shares to be repurchased during the repurchase period based upon the closing stock price on May 10, 2021 of $68.50 per share. The initial shares received were retired by the Company. The final number of shares repurchased and retired was based on the Company's volume-weighted average share price during the repurchase period, less a discount and subject to certain adjustments (the "Settlement Price").

Pursuant to the ASR Agreement, the financial institution elected to accelerate the settlement of the transaction in two tranches. On July 21, 2021, the financial institution transferred 167,743 additional shares to the Company based upon an effective Settlement Price of $66.52 and a notional value of $50,000, or one third of the total $150,000 prepayment. On July 26, 2021, the financial institution transferred 336,996 additional shares to the Company upon full settlement of the remaining $100,000 notional value of the transaction at the final Settlement Price of $66.45.

On October 25, 2021, the Company entered into a Rule 10b5-1 Repurchase Plan with a financial institution to repurchase outstanding shares of the Company's common stock pursuant to its Board authorization. The Company repurchased and retired 976,191 shares for $58,413 prior to the termination of the trading period on November 23, 2021.

The costs of these share repurchases were allocated to "Capital in excess of stated value" on the Company's Consolidated Balance Sheet as of December 31, 2021.

The Company occasionally repurchases shares of its common stock to satisfy employee tax withholding obligations in association with the exercise of stock appreciation rights, restricted stock, and performance-based stock awards. These repurchases, which are not part of a publicly announced plan or program, totaled 99,824 shares during 2021, 148,680 shares during 2020, and 169,290 shares during 2019, at a cost of $6,057, $8,483 and $9,608, respectively.

Earnings per share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	2021	2020	2019
Numerator:			
Net (loss)/income attributable to Sonoco	$ (85,477)	$ 207,463	$ 291,785
Denominator:			
Weighted average common shares outstanding	99,608	100,939	100,742
Dilutive effect of stock-based compensation	—	270	434
Diluted outstanding shares	99,608	101,209	101,176
Per common share:			
(Loss)/Income available to common shareholders:			
Basic	$ (0.86)	$ 2.06	$ 2.90
Diluted	$ (0.86)	$ 2.05	$ 2.88
Cash dividends	$ 1.80	$ 1.72	$ 1.70

No adjustments were made to "Net income/(loss) attributable to Sonoco" in the computations of net income/(loss) attributable to Sonoco per common share.

Potentially dilutive securities are calculated in accordance with the treasury stock method. For stock appreciation rights (SARs), in particular, the treasury stock method assumes the proceeds from the exercise of all dilutive SARs are used to repurchase the Company's common stock. Certain SARs are not dilutive because either the exercise price is greater than the average market price of the stock during the reporting period or assumed repurchases from proceeds from the exercise of the SARs were antidilutive.

The average number of shares that were not dilutive and therefore not included in the computation of diluted (loss) income per share was as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	2021	2020	2019
Anti-dilutive stock appreciation rights	202	772	475

These stock appreciation rights may become dilutive in future periods if the market price of the Company's common stock appreciates.

Diluted earnings per share is computed by dividing net income by the weighted average shares outstanding, assuming all dilutive potential common shares were issued, unless doing so is anti-dilutive. Such securities have an anti-dilutive impact in those periods in which a loss is reported. Diluted net loss per share of common stock for the year ended December 31, 2021 is the same as basic net loss per share because otherwise dilutive securities are excluded from the computation of diluted net loss per share. The number of potentially dilutive securities excluded from the computation of diluted net loss per share during the year ended December 31, 2021 was $470.

18. Segment reporting

The Company changed its operating and reporting structure in January 2021 and, as a result, realigned certain of its reportable segments effective January 1, 2021. The revised structure consists of two reportable segments, Consumer Packaging and Industrial Paper Packaging, with all remaining businesses reported as All Other.

The Company's former Protective Solutions and Display and Packaging segments have been eliminated and the underlying businesses and their results have been realigned into All Other or, in certain cases, subsumed into the remaining two segments.

The Consumer Packaging segment primarily serves prepared and fresh food markets along with other packaging for direct consumer products and includes the following products and services: round and shaped rigid paper containers; metal and peelable membrane ends and closures; thermoformed plastic trays and containers; printed flexible packaging; and global brand artwork management.

The Industrial Paper Packaging segment, previously called Paper and Industrial Converted Products, includes the following products: fiber-based tubes, cones, and cores; fiber-based construction tubes; fiber-based protective packaging and components; wooden, metal and composite wire and cable reels and spools; and recycled paperboard, corrugating medium, recovered paper and material recycling services.

Businesses grouped as All Other include healthcare, protective and retail security packaging and industrial plastic products. These businesses include the following products and services: thermoformed rigid plastic trays and devices; custom-engineered molded foam protective packaging and components; temperature-assured packaging; injection molded and extruded containers, spools and parts; retail security packaging, including printed backer cards, thermoformed blisters and heat sealing equipment; and paper amenities. Prior to the divestiture of the Company's global display and packaging business in two separate transactions, the European contract packaging business on November 30, 2020 and the U.S. display and packaging business on April 4, 2021, these businesses, which included point-of-purchase displays, fulfillment operations, and contract packaging, were reported in All Other.

Restructuring charges, asset impairment charges, gains or losses from the divestiture of businesses, insurance settlement gains, acquisition-related costs, non-operating pension costs, interest expense and interest income are included in (loss)/income before income taxes under "Corporate".

The following table sets forth financial information about each of the Company's business segments. Segment financial information for prior periods has been recast to conform to the current-year presentation.

	Years ended December 31					
	Consumer Packaging	*Industrial Paper Packaging*	*All Other*	*Corporate*		*Consolidated*
Total Revenue						
2021	2,373,583	2,578,379	768,476	—	$	5,720,438
2020	2,234,292	2,090,731	1,024,060	—		5,349,083
2019	2,213,874	2,208,871	1,078,496	—		5,501,241
Intersegment Sales[1]						
2021	5,236	114,067	10,697	—	$	130,000
2020	4,433	99,257	7,950	—		111,640
2019	5,300	110,991	10,743	—		127,034
Sales to Unaffiliated Customers						
2021	2,368,347	2,464,312	757,779	—	$	5,590,438
2020	2,229,859	1,991,474	1,016,110	—		5,237,443
2019	2,208,574	2,097,880	1,067,753	—		5,374,207
(Loss) / Income Before Income Taxes[2]						
2021	252,824	218,345	44,195	(676,346)	$	(160,982)
2020	278,443	176,809	71,737	(271,397)		255,592
2019	207,408	244,982	73,002	(144,626)		380,766
Identifiable Assets[3]						
2021	1,956,688	1,971,293	886,647	258,607	$	5,073,235
2020	1,926,294	1,805,388	1,018,091	527,486		5,277,259
2019	1,950,127	1,736,734	1,287,281	152,147		5,126,289
Depreciation, Depletion and Amortization[4]						
2021	98,737	96,084	44,265	—	$	239,086
2020	109,310	94,801	51,248	—		255,359
2019	107,948	86,861	44,331	—		239,140
Capital Expenditures						
2021	60,532	150,225	22,780	22,482	$	256,019
2020	59,040	87,549	24,701	22,837		194,127
2019	61,787	112,852	14,204	7,091		195,934

1 Intersegment sales are recorded at a market-related transfer price.

2 Included in Corporate above are interest expense, interest income, restructuring/asset impairment charges, property insurance settlement gains, non-operating pension costs, acquisition/divestiture-related charges, and other non-operational income and expenses associated with the following segments:

		Consumer Packaging		*Industrial Paper Packaging*		*All Other*		*Corporate*		*Total*
2021	$	4,197	$	(3,056)	$	5,343	$	669,862	$	676,346
2020		100,166		33,450		27,835		109,946		271,397
2019		40,831		5,491		1,828		96,476		144,626

The remaining amounts reported as Corporate consist of interest expense, interest income, non-operating pension costs, and other non-operational income and expenses not associated with a particular segment.

3 Identifiable assets are those assets used by each segment in its operations. Corporate assets consist primarily of cash and cash equivalents, investments in affiliates, headquarters facilities, deferred income taxes and prepaid expenses.

4 Depreciation, depletion and amortization incurred at Corporate are allocated to the reportable segments.

Geographic regions

Sales to unaffiliated customers and long-lived assets by geographic region are as follows:

		2021		2020		2019
Sales to Unaffiliated Customers						
United States	$	3,650,090	$	3,411,263	$	3,408,459
Europe		941,655		1,055,830		1,078,766
Canada		212,272		181,425		226,049
Asia Pacific		401,003		316,670		350,259
Other		385,418		272,255		310,674
Total	$	5,590,438	$	5,237,443	$	5,374,207
Long-lived Assets						
United States	$	2,078,342	$	2,016,185	$	2,177,918
Europe		545,211		673,725		648,648
Canada		104,913		102,932		107,470
Asia Pacific		157,084		163,393		160,740
Other		68,949		51,001		64,043
Total	$	2,954,499	$	3,007,236	$	3,158,819

Sales are attributed to countries/regions based upon the plant location from which products are shipped. Long-lived assets are comprised of property, plant and equipment, goodwill, intangible assets and investment in affiliates (see Notes 6 and 8).

19. Accumulated other comprehensive loss

The following table summarizes the components of accumulated other comprehensive loss and the changes in accumulated other comprehensive loss, net of tax as applicable, for the years ended December 31, 2021 and 2020:

		Foreign Currency Items		Defined Benefit Pension Items		Gains and Losses on Cash Flow Hedges		Accumulated Other Comprehensive Loss
Balance at December 31, 2019	$	(241,994)	$	(574,413)	$	(396)	$	(816,803)
Other comprehensive income/(loss) before reclassifications		60,336		(10,480)		(2,952)		46,904
Amounts reclassified from accumulated other comprehensive loss to net income		(12,366)		22,146		3,278		13,058
Amounts reclassified from accumulated other comprehensive loss to fixed assets		—		—		(1)		(1)
Other comprehensive income/(loss)		47,970		11,666		325		59,961
Balance at December 31, 2020	$	(194,024)	$	(562,747)	$	(71)	$	(756,842)
Other comprehensive (loss)/income before reclassifications		(75,052)		49,145		7,589		(18,318)
Amounts reclassified from accumulated other comprehensive loss to net loss		—		422,205		(6,258)		415,947
Amounts reclassified from accumulated other comprehensive loss to fixed assets		—		—		(212)		(212)
Other comprehensive (loss) income		(75,052)		471,350		1,119		397,417
Balance at December 31, 2021	$	(269,076)	$	(91,397)	$	1,048	$	(359,425)

The following table summarizes the amounts reclassified from accumulated other comprehensive loss and the affected line items in the consolidated statements of net income for the years ended December 31, 2021 and 2020:

Details about Accumulated Other Comprehensive Loss Components	*Year Ended December 31, 2021*	*Year Ended December 31, 2020*	*Affected Line Item in the Consolidated Statements of Net Income*
Foreign currency items			
Amounts reclassified to net (loss)/income	$ —	$ 12,366	Loss on divestiture of business,net
	—	12,366	Net (loss)/income
Defined benefit pension items (see Note 13)			
Effect of settlement loss	(550,706)	(854)	Non-operating pension cost
Effect of curtailment loss	—	(32)	Non-operating pension cost
Amortization of defined benefit pension items	(16,659)	(28,726)	Non-operating pension cost
	(567,365)	(29,612)	
	145,160	7,466	(Benefit from)/Provision for income taxes
	(422,205)	(22,146)	Net (loss)/income
Gains and losses on cash flow hedges (see Note 10)			
Foreign exchange contracts	3,212	(6,662)	Net Sales
Foreign exchange contracts	(2,544)	3,576	Cost of sales
Commodity contracts	7,794	(1,213)	Cost of sales
	8,462	(4,299)	(Loss)/Income before income taxes
	(2,204)	1,021	(Benefit from)/Provision for income taxes
	6,258	(3,278)	Net (loss)/income
Total reclassifications for the period	$ (415,947)	$ (13,058)	Net (loss)/income

The following table summarizes the tax (expense) benefit amounts for the other comprehensive loss components for the years ended December 31, 2021 and 2020:

	For the year ended December 31, 2021			*For the year ended December 31, 2020*		
	Before Tax Amount	*Tax (Expense) Benefit*	*After Tax Amount*	*Before Tax Amount*	*Tax (Expense) Benefit*	*After Tax Amount*
Foreign currency items:						
Other comprehensive (loss)/income before reclassifications[(a)]	$ (75,052)	$ —	$ (75,052)	$ 67,917	$ (7,581)	$ 60,336
Amounts reclassified from accumulated other comprehensive loss to net (loss)/income	—	—	—	(12,366)	—	(12,366)
Gains and losses on foreign currency items:	(75,052)	—	(75,052)	55,551	(7,581)	47,970
Defined benefit pension items:						
Other comprehensive income/(loss) before reclassifications	63,559	(14,414)	49,145	(13,217)	2,737	(10,480)
Amounts reclassified from accumulated other comprehensive loss to net (loss)/income[(b)]	567,365	(145,160)	422,205	29,612	(7,466)	22,146
Net other comprehensive income/(loss) from defined benefit pension items[(c)]	630,924	(159,574)	471,350	16,395	(4,729)	11,666
Gains and losses on cash flow hedges:						
Other comprehensive income/(loss) before reclassifications	10,249	(2,660)	7,589	(3,823)	871	(2,952)
Amounts reclassified from accumulated other comprehensive loss to net (loss)/income	(8,462)	2,204	(6,258)	4,299	(1,021)	3,278
Amounts reclassified from accumulated other comprehensive loss to fixed assets	(289)	77	(212)	(1)	—	(1)
Net other comprehensive income/(loss) from cash flow hedges	1,498	(379)	1,119	475	(150)	325
Other comprehensive income/(loss)	$ 557,370	$ (159,953)	$ 397,417	$ 72,421	$ (12,460)	$ 59,961

[(a)] Other comprehensive (loss)/income from foreign currency items for the year ended December 31, 2020 includes the settlement gain and corresponding tax provision related to the termination of a net investment hedge. See Note 10 for more information.

[(b)]See Note 13 for more information.

[c]The net other comprehensive (loss)/income from defined benefit pension items includes pretax changes of $(32) and $4 during the years ended December 31, 2021 and 2020, related to one of the Company's equity method investments.

20. Subsequent Events

On January 21, 2022, the Company completed a registered public offering of unsecured notes (the "Notes") with an aggregate principal amount of $1,200,000. The Notes consisted of the following:

	Principal Amount		Interest Rate	Maturity
2025 Notes	$	400,000	1.800%	February 1, 2025
2027 Notes		300,000	2.250%	February 1, 2027
2032 Notes		500,000	2.850%	February 1, 2032
Total	$	1,200,000		

The Notes are the Company's senior unsecured obligations and rank equal in right of payment to the Company's other senior unsecured debt from time to time outstanding. The Indenture contains certain covenants with respect to the Company that, among other things, restrict the entry into secured indebtedness, sale and leaseback transactions and certain mergers, consolidations and transfers of all or substantially all of the Company's assets.

Also on January 21, 2022, the Company entered into a $300,000 term loan facility (the "Term Loan Facility") with a syndicate of eight banks. The full $300,000 was drawn from this facility on January 26, 2022, and the proceeds used to partially fund the acquisition of Ball Metalpack. The unsecured loan has a three-year term. Interest is assessed at the Secured Overnight Financing Rate (SOFR) plus a margin based on a pricing grid that uses the registrant's credit ratings. The current SOFR margin is 122.5 basis points. There is no required amortization and repayment can be accelerated at any time at our discretion.

On January 26, 2022, the Company completed the acquisition of Ball Metalpack, a joint venture owned by Platinum Equity and Ball Corporation, for $1,350,000 in cash subject to customary adjustments, including for working capital, cash and indebtedness. Ball Metalpack is a leading manufacturer of sustainable metal packaging for food and household products and the largest aerosol can producer in North America. The acquisition was funded primarily by proceeds from the issuance of the Notes, together with borrowings from the Term Loan Facility and the Company's commercial paper program. Previously part of Ball Corporation, the Ball Metalpack joint venture was formed in 2018 and has approximately 1,300 employees across eight manufacturing locations in the United States and a headquarters facility in Broomfield, Colorado. The Ball Metalpack name will be changed to Sonoco Metal Packaging.

Given the timing of completion of the acquisition, the Company is currently unable to provide a preliminary purchase price allocation. Such allocation, as well as any required pro forma financial disclosures required by ASC 805, are expected to be included in the quarterly report on Form 10-Q for the quarter ended April 3, 2022.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), conducted an evaluation of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Our disclosure controls and procedures are designed to provide reasonable assurance that information disclosed in the reports that we file or submit is recorded, processed, summarized and reported within the relevant time periods specified in SEC rules and forms. For this purpose, disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information that is required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Based on this evaluation, our CEO and CFO concluded that such controls and procedures, as of December 31, 2021, the end of the period covered by this Annual Report on Form 10-K, were effective at a reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed by, or under the supervision of, our CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021, the end of the period covered by this report based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on our evaluation under the framework in Internal Control - Integrated Framework (2013), our management concluded that our internal control over financial reporting was effective as of December 31, 2021.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2021 as stated in their report, which appears at the beginning of Item 8 of this Annual Report on Form 10-K.

Limitations on the Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all error and all fraud. Internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives will be met. Because of the inherent limitations in internal control over financial reporting, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected timely.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting occurring during the three months ended December 31, 2021, that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information set forth in the Company’s definitive Proxy Statement for the annual meeting of shareholders to be held on April 20, 2022, to be filed with the SEC within 120 days after December 31, 2021 (the "Proxy Statement"), under the captions “Proposal 1: Election of Directors,” and “Delinquent Section 16 Reports,” is incorporated herein by reference. Information about executive officers of the Company is set forth in Item 1 of this Annual Report on Form 10-K under the caption “Information About our Executive Officers.”

Code of Ethics – The Company has adopted a code of ethics (as defined in Item 406 of Regulation S-K) that applies to its principal executive officer, principal financial officer, principal accounting officer, and other senior executive and senior financial officers. This code of ethics is available through the Company’s website, and is available in print to any shareholder who requests it. Any waivers or amendments to the provisions of this code of ethics will be posted to this website within four business days after the waiver or amendment.

Audit Committee Members – The Company has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The audit committee is comprised of the following members: Thomas E. Whiddon, Chairman; Theresa Drew; Robert R. Hill, Jr.; Eleni Istavridis; Richard G. Kyle; Blythe J. McGarvie; Marc D. Oken; and Lloyd M. Yates.

Audit Committee Financial Expert – The Company’s Board of Directors has determined that the Company has at least three “audit committee financial experts,” as that term is defined by Item 407(d)(5) of Regulation S-K promulgated by the Securities and Exchange Commission, serving on its audit committee. Theresa Drew, Marc D. Oken, and Thomas E. Whiddon meet the terms of the definition and are independent based on the criteria in the New York Stock Exchange Listing Standards. Pursuant to the terms of Item 407(d)(5) of Regulation S-K, a person who is determined to be an “audit committee financial expert” will not be deemed an expert for any purpose as a result of being designated or identified as an “audit committee financial expert” pursuant to Item 407, and such designation or identification does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and Board of Directors in the absence of such designation or identification. Further, the designation or identification of a person as an “audit committee financial expert” pursuant to Item 407 does not affect the duties, obligations or liability of any other member of the audit committee or Board of Directors.

The Company’s Corporate Governance Guidelines, Audit Committee Charter, Corporate Governance and Nominating Committee Charter and Executive Compensation Committee Charter are available through the Company’s website. This information is available in print to any shareholder who requests it.

Item 11. Executive Compensation

The information set forth in the Proxy Statement under the caption “Compensation Committee Interlocks and Insider Participation,” under the caption “Executive Compensation,” and under the caption “Director Compensation” is incorporated herein by reference. The information set forth in the Proxy Statement under the caption “Compensation Committee Report” is also incorporated herein by reference, but pursuant to the Instructions to Item 407(e)(5) of Regulation S-K, such report shall not be deemed to be “soliciting material” or subject to Regulation 14A, and shall be deemed to be “furnished” and not “filed” and will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act as a result of being so furnished.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth in the Proxy Statement under the caption “Security Ownership of Certain Beneficial Owners,” and under the caption “Security Ownership of Management” is incorporated herein by reference.

Equity Compensation Plan Information

The following table sets forth aggregated information about all of the Company’s compensation plans (including individual compensation arrangements) under which equity securities of the Company are authorized for issuance as of December 31, 2021:

Plan category	*Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)*		*Weighted-average exercise price of outstanding options, warrants and rights (b)*	*Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[1] (c)*
Equity compensation plans approved by security holders	2,253,595	$	55.03	8,494,373
Equity compensation plans not approved by security holders	—		—	—
Total	2,253,595	$	55.03	8,494,373

[1] The Sonoco Products Company 2019 Omnibus Incentive Plan (the "2019 Plan") was adopted at the Company’s 2019 Annual Meeting of Shareholders. The maximum number of shares of common stock that may be issued under this plan was set at 12,000,000 shares, which included all shares remaining under the 2014 Plan. Awards granted under all previous plans which are forfeited, expire or are cancelled without delivery of shares, or which result in forfeiture of shares back to the Company, will be added to the total shares available under the 2019 Plan. At December 31, 2021, a total of 8,494,373 shares remain available for future grant under the 2019 Plan.

The weighted-average exercise price of $55.03 relates to stock appreciation rights, which account for 879,671 of the 2,253,595 securities issuable upon exercise. The remaining 1,373,924 securities relate to deferred compensation stock units, performance-contingent restricted stock units and restricted stock unit awards that have no exercise price requirement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information set forth in the Proxy Statement under the captions “Related Party Transactions” and “Corporate Governance – Director Independence Policies” is incorporated herein by reference. Each current member of the Audit, Corporate Governance and Nominating and Executive Compensation Committees is independent as defined in the listing standards of the New York Stock Exchange.

Item 14. Principal Accountant Fees and Services

The information set forth in the Proxy Statement under the caption “Independent Registered Public Accounting Firm” is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1 **Financial Statements** – The following financial statements are provided under Item 8 – Financial Statements and Supplementary Data of this Annual Report on Form 10-K:

2 **Financial Statement Schedules**

Schedule II – Valuation and Qualifying Accounts for the Years Ended December 31, 2021, 2020 and 2019

Column A	*Column B*	*Column C - Additions*		*Column D*	*Column E*
Description	*Balance at Beginning of Year*	*Charged to Costs and Expenses*	*Charged to Other*	*Deductions*	*Balance at End of Year*
2021					
Allowance for Doubtful Accounts	$ 20,920	$ (824)	$ (18) [1]	$ 427 [2]	$ 19,651
LIFO Reserve	20,317	2,583 [3]	—	—	22,900
Valuation Allowance on Deferred Tax Assets	128,435	(33,532)	(866) [4]	45 [5]	93,992
2020					
Allowance for Doubtful Accounts	$ 14,382	$ 8,067	$ 54 [1]	$ 1,583 [2]	$ 20,920
LIFO Reserve	20,203	114 [3]	—	—	20,317
Valuation Allowance on Deferred Tax Assets	105,347	22,816	2,447 [4]	2,175 [5]	128,435
2019					
Allowance for Doubtful Accounts	$ 11,692	$ 4,320	$ 322 [1]	$ 1,952 [2]	$ 14,382
LIFO Reserve	18,854	1,349 [3]	—	—	20,203
Valuation Allowance on Deferred Tax Assets	103,289	2,662	(1,116) [4]	(512) [5]	105,347

1 Includes translation adjustments and other insignificant adjustments.
2 Includes amounts written off.
3 Includes adjustments based on pricing and inventory levels.
4 Includes translation adjustments and increases to deferred tax assets which were previously fully reserved.
5 Includes utilization of capital loss carryforwards, net operating loss carryforwards and other deferred tax assets.

All other schedules not included have been omitted because they are not required, are not applicable or the required information is given in the financial statements or notes thereto.

3 The exhibits listed on the Exhibit Index to this Form 10-K are incorporated herein by reference.

Item 16. Form 10-K Summary

None.

Exhibit Index

2-1*	Equity Purchase Agreement and Agreement and Plan of Merger, dated December 19, 2021, by and among Sonoco Products Company, Magnet Merger Sub LLC, Ball Metalpack Holding, LLC, PE Spray Holdings, L.P., and Platinum Equity Advisors, LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed December 21, 2021).
3-1	Restated Articles of Incorporation, as amended April 23, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K/A filed April 27, 2021)
3-2	By-Laws of Sonoco Products Company, as amended April 21, 2021 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, filed April 26, 2021)
4-1	Description of Securities of the Registrant (incorporated by reference to the description in the Registrant's Form 8-A, Amendment 4, filed June 15, 2020)
4-2	Indenture, dated as of June 15, 1991, between Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form S-4 (File Number 333-119863))
4-3	Form of Second Supplemental Indenture, including form of 5.75% Notes due 2040, dated as of November 1, 2010, between Sonoco Products Company and The Bank of New York Mellon Trust Company, N.A., as Trustee, (incorporated by reference to Exhibit 4.8 to the Registrant's Form 8-K filed October 28, 2010)
4-4	Form of Fourth Supplemental Indenture, including form of 5.75% Notes due 2040, between Sonoco Products Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.12 to the Registrant's Form 8-K filed October 27, 2011)
4-5	Form of Fifth Supplemental Indenture, including form of 3.125% Notes due 2030, dated as of April 22, 2020, between Sonoco Products Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed April 22, 2020)
4-6	Sixth Supplemental Indenture, dated as of January 21, 2022, between Sonoco Products Company and Regions Bank, as Trustee, including Forms of 1.800% Note due 2025, 2.250% Note due 2027 and 2.850% Note due 2032 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed January 21, 2022)
10-1**	Sonoco Retirement and Savings Plan, amended and restated as of January 1, 2022
10-2**	Sonoco Products Company 2008 Long-term Incentive Plan (incorporated by reference to Exhibit 1 to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 2008)
10-3**	Sonoco Products Company 2012 Long-term Incentive Plan (incorporated by reference to Exhibit 1 to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 18, 2012)
10-4**	Sonoco Products Company 2014 Long-term Incentive Plan (incorporated by reference to Exhibit 1 to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 2014)
10-5**	Deferred Compensation Plan for Key Employees of Sonoco Products Company (a.k.a. Deferred Compensation Plan for Corporate Officers of Sonoco Products Company), as amended (incorporated by reference to Exhibit 10-1 to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-6**	Deferred Compensation Plan for Outside Directors of Sonoco Products Company, as amended (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-7**	Sonoco Products Company Amended and Restated Trust Agreement for Executives, as of October 15, 2008 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-8**	Sonoco Products Company Amended and Restated Directors Deferral Trust Agreement, as of October 15, 2008 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-9**	Omnibus Benefit Restoration Plan of Sonoco Products Company, amended and restated as of January 1, 2022
10-10**	Form of Executive Bonus Life Agreement between the Company and certain executive officers (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended September 26, 2004)
10-11**	Description of Stock Appreciation Rights, Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 8, 2017 (incorporated by reference to Registrant's Form 8-K filed February 14, 2017)
10-12**	Description of Stock Appreciation Rights, Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 14, 2018 (incorporated by reference to Registrant's Form 8-K filed February 20, 2018)
10-13**	Description of Stock Appreciation Rights, Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 13, 2019 (incorporated by reference to Registrant's Form 8-K filed February 19, 2019)
10-14**	Description of Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 11, 2020 (incorporated by reference to the Registrant's Form 8-K filed February 18, 2020)
10-15**	Description of Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 5, 2021 (incorporated by reference to the Registrant's Form 8-K filed February 11, 2021)
10-16**	Description of Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 8, 2022 (incorporated by reference to the Registrant's Form 8-K filed February 11, 2022)
10-17**	Sonoco Products Company 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit One to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 17, 2019)

10-18*	Accelerated Share Repurchase agreement with Wells Fargo Bank, NA, dated May 10, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 12, 2021)
10-19*	Commitment Agreement with Athene, dated June 17, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed June 23, 2021)
10-20*	Credit Agreement, dated June 30, 2021, by and among the Company, Bank of America, N.A., and the other parties thereto (as amended) (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended July 4, 2021)
10-21*	Credit Agreement, dated as of January 21, 2022, among the Company, as Borrower, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed January 26, 2022)
10-22**	Sonoco Products Company Change-In-Control Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed February 11, 2022)
21	Subsidiaries of the Registrant
23	Consent of Independent Registered Public Accounting Firm with respect to Registrant's Form 10-K
31	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(a)
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(b)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Taxonomy Extension Label Linkbase Document
101.PRE	Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Certain portions of these exhibits have been redacted pursuant to Item 601(b)(2)(ii) or Item 601(b)(10)(iv) of Regulation S-K. The Company hereby agrees to furnish supplementally an unredacted copy of the exhibit to the SEC upon its request.
** Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 28th day of February 2022.

SONOCO PRODUCTS COMPANY

/s/ R. Howard Coker

R. Howard Coker
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on this 28th day of February 2022.

/s/ Julie C. Albrecht	/s/ James W. Kirkland
Julie C. Albrecht Vice President and Chief Financial Officer (principal financial officer)	James W. Kirkland Corporate Controller (principal accounting officer)

/s/ J.R. Haley	/s/ R. H. Coker
J.R. Haley/Director (Chairman)	R. H. Coker/President, Chief Executive Officer and Director
/s/ P.L. Davies	/s/ T.J. Drew
P.L. Davies/Director	T.J. Drew/Director
/s/ P. Guillemot	/s/ R.R. Hill, Jr.
P. Guillemot/Director	R.R. Hill, Jr./Director
/s/ E. Istavridis	/s/ R.G. Kyle
E. Istavridis/Director	R.G. Kyle/Director
/s/ B.J. McGarvie	/s/ J.M. Micali
B.J. McGarvie/Director	J.M. Micali/Director
/s/ S. Nagarajan	/s/ M.D. Oken
S. Nagarajan/Director	M.D. Oken/Director
/s/ T.E. Whiddon	/s/ L.M. Yates
T.E. Whiddon/Director	L.M. Yates/Director

Exhibit 10.1

Sonoco Retirement and Savings Plan

(Amended and Restated as of January 1, 2022)

Contents

Article 1. The Plan

1.1 Establishment of Plan

Sonoco Products Company, a C corporation (the “Company”), previously established the Sonoco Savings Plan which has been renamed the Sonoco Retirement and Savings Plan for the benefit of its Eligible Employees and the Eligible Employees of participating Affiliates. The following plans have been merged into this Plan:

(a) Effective January 3, 2012, the Clear Pack Company 401(k) Retirement Plan;

(b) Effective December 15, 2012, the Sonoco and Investment Retirement Plan;

(c) Effective January 1, 2013, the Tegrant Investment and Retirement Plan;

(d) Effective May 1, 2014, The Norske Skog 401(k) Plan (sponsored by Reparco USA);

(e) Effective March 1, 2017, the Plastic Packaging, Inc. 401(k) Plan and the Plastic Packaging, Inc. Profit Sharing Plan;

(f) Effective January 1, 2018, the Peninsula Packaging, LLC 401(k) Profit Sharing Plan & Trust and the Clear Lam Packaging, Inc. Employees’ Profit Sharing and Savings Growth Plan;

(g) Effective January 1, 2019, the Conitex Sonoco, Inc. & Subsidiaries 401(k) Plan F/K/A Texpack U.S.A. Inc. 401(k) Retirement Plan;

(h) Effective March 2, 2020, the Corenso 401(k) and Savings Plan;

(i) Effective April 1, 2020, the account balances of employees hired by the Company as part of the acquisition of Thermoform Engineered Quality, LLC, and Plastique Holdings, LTD (the “TEQ Employees”), were transferred in a plan-to-plan transfer from the ESCO Employee Savings Investment Plan (the “ESCO Plan”) to the Plan; and

(j) Effective April 1, 2021, the Sebro Plastics, Inc. Employees Profit Sharing Plan (the “Sebro Plan”).

The Plan was restated effective January 1, 2013 and its name was changed from the Sonoco Savings Plan to the Sonoco Retirement and Savings Plan (the “Plan”). The Plan was further restated as of January 1, 2014, January 1, 2015, and again as of January 1, 2022.

1.2 Applicability of Plan

This Plan generally applies only to Employees who are employed by an Employer on or after January 1, 2022. Except as otherwise provided in a retroactively effective provision of this Plan document, or except as otherwise required by law, the rights and benefits of former

Employees who terminated or died before January 1, 2022 (and their Beneficiaries) shall be determined under the terms of the prior plan documents as in effect upon their termination or death.

In addition, the provisions of this Plan shall apply to each Eligible Employee, except as otherwise noted in an Appendix. Appendix A lists each Participating Employer hereunder (other than Sonoco Products Company) and describes specific variations to Plan provisions and features that apply to certain nonunion Eligible Employees. Appendix B lists each group of collectively-bargained Employees who are Eligible Employees with respect to Plan benefits other than Retirement Contributions and also describes specific variations to Plan provisions and features that apply to each such collectively-bargained group. Appendix C lists each group of collectively-bargained Employees who are Eligible Employees with respect to Retirement Contributions.

1.3 Purpose of Plan
The purpose of this Plan is to allow Eligible Employees to set aside a portion of their wages and salaries for their retirement, to encourage Employee savings by matching a portion of Employee contributions with contributions from the Employer, and to provide other Employer-paid sources of retirement income. The Plan and any related trusts are intended to meet the requirements of sections 401(a), 401(k), 401(m), and 501(a) of the Internal Revenue Code of 1986 (the “Code”). The portion of the Plan comprised of assets invested in the Company Stock Fund (but not amounts that are transferred from the Company Stock Fund into other Funds) is intended to be a stock bonus plan that qualifies as an employee stock ownership plan under Code section 4975(e)(7).

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below unless otherwise expressly provided. The definition of any term in the singular shall also include the plural, whichever is appropriate in the context.

2.1 Account

Account means the separate Account maintained under the Plan for each Member that represents the Member's total proportionate interest in the Trust Fund as of any Valuation Date. A Member's Account consists of the following subaccounts:

(a) **After-Tax Contributions Account** means the portion of the Member's Account that evidences the value of the Member's After-Tax Contributions under section 5.2 (or corresponding provisions of a Predecessor Plan), including any gains and losses of the Trust Fund attributable thereto.

(b) **After-Tax Rollover Contributions Account** means the portion of the Member's Account that evidences the value of the Member contributions under section 5.6 (or under corresponding provisions of a Predecessor Plan) that are attributable to after-tax contributions made by the Member to the plan of a previous employer, including any gains and losses of the Trust Fund attributable thereto.

(c) **Before-Tax Contributions Account** means the portion of the Member's Account that evidences the value of the Member's Before-Tax Contributions under section 5.1(a) (or under corresponding provisions of a Predecessor Plan), including any gains and losses of the Trust Fund attributable thereto.

(d) **Collectively-Bargained Nonelective Employer Contributions Account** means the portion of the Member's Account that evidences the value of the Collectively-Bargained Nonelective Employer Contributions made on behalf of Members who are covered by certain collective bargaining agreements (as specified in Appendix B), or similar nonelective contributions made to collectively-bargained employees under corresponding provisions of a Predecessor Plan, including any gains and losses of the Trust Fund attributable thereto.

(e) **Matching Contributions Account** means the portion of the Member's Account that evidences the value of the Matching Contributions made on the Member's behalf under section 5.3 (or under corresponding provisions of a Predecessor Plan), including any gains and losses of the Trust Fund attributable thereto.

(f) **Paysop Account** means the portion of the Member's Account that evidences the value of contributions made by the Employer before January 1, 1989 in the form of Company Stock to the tax credit employee stock ownership portion of the Plan in effect at that time, including any gains and losses of the Trust Fund attributable thereto.

(g) **Retirement Contributions Account** means the portion of the Member's Account that evidences the value of the contributions made by an Employer under the Sonoco Investment Retirement Plan prior to January 1, 2013, plus the Retirement Contributions made by the Employer on or after January 1, 2013 under section 5.4, including any gains and losses of the Trust Fund attributable thereto.

(h) **Rollover Contributions Account** means the portion of the Member's Account that evidences the value of rollover contributions made under section 5.6(a) (or corresponding provisions of a Predecessor Plan), but excluding any such contributions that are allocated to the Member's After-Tax Rollover Contributions Account, including any gains and losses of the Trust Fund attributable thereto.

(i) **Roth Contributions Account** means the portion of the Member's Account that evidences the value of the Member's Roth Contributions under section 5.1(b), including any gains and losses of the Trust Fund attributable thereto.

(j) **Roth Rollover Contributions Account** means the portion of the Member's Account that evidences the value of the qualified Roth rollovers that are transferred to the Plan on behalf of a Member in accordance with section 5.6(b), including any gains and losses of the Trust Fund attributable thereto.

(k) **Tuscarora Money Purchase Pension Plan Account** means the portion of the Member's Account that evidences the value of employer contributions made previously under the Tuscarora Incorporated and Subsidiary Companies Non-Union Hourly Employees' Money Purchase Pension Plan, the Tuscarora Incorporated Salaried Employees' Money Purchase Pension Plan, and the Tuscarora Incorporated Union Employees' Money Purchase Pension Plan, including any gains and losses of the Trust Fund attributable thereto. (These accounts were transferred previously into the Tegrant Investment and Retirement Plan which was itself merged into this Plan effective January 1, 2013.)

(l) **Prior Plan Matching Contributions Account** means the portion of the Member's account which evidences the value of the safe harbor matching contributions that were transferred into this Plan from the Norske Skog 401(k) Plan, including any gains and losses attributable thereto.

(m) **PPI 401(k) Account** means the portion of the Member's account which was transferred from the Plastic Packaging, Inc. 401(k) Plan and merged into this Plan.

(n) **PPI Profit Sharing Account** means the portion of the Member's account which was transferred from the Plastic Packaging, Inc. Profit Sharing Plan and merged into this Plan.

(o) **Peninsula 401(k) Account** means the portion of the Member’s account which was transferred from the Peninsula Packaging, LLC 401(k) Profit Sharing Plan & Trust and merged into this Plan.

(p) **Clear Lam 401(k) Account** means the portion of the Member’s account which was transferred from the Clear Lam Packaging, Inc. Employees’ Profit Sharing and Savings Growth Plan and merged into this Plan.

(q) **Conitex 401(k) Account** means the portion of the Member’s account which was transferred from the Conitex Sonoco, Inc. & Subsidiaries 401(k) Plan F/K/A Texpack U.S.A. Inc. 401(k) Retirement Plan and merged into this Plan.

(r) **Corenso 401(k) Account** means the portion of the Member’s account which was transferred from the Corenso 401(k) and Savings Plan and merged into this Plan.

(s) **TEQ 401(k) Account** means the portion of the Member’s account that was transferred on behalf of former TEQ employees from the ESCO Plan to the Plan in a plan-to-plan transfer. A separate sub-account of the TEQ 401(k) Account shall be established to hold pre-2004 matching contributions (the “**TEQ Pre-2004 Matching Account**”).

(t) **Sebro 401(k) Account** means the portion of the Member’s account that was transferred from the Sebro Plan and merged into this Plan.”

2.2 Affiliate

Affiliate means—

(a) any corporation while it is a member of the same “controlled group” of corporations (within the meaning of Code section 414(b)) as the Company;

(b) any other trade or business (whether or not incorporated) while it is under “common control” with the Company within the meaning of Code section 414(c);

(c) any organization during any period in which it (along with the Company) is a member of an “affiliated service group” (within the meaning of Code section 414(m)); and

(d) any other entity during any period in which it is required to be aggregated with the Company under Code section 414(o).

2.3 After-Tax Contributions

After-Tax Contributions mean the voluntary contributions made by a Participant, as described in section 5.2.

2.4 Annuity Starting Date
Annuity Starting Date means the first day of the first period for which an amount is payable as an annuity or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred that entitle the Member to the benefit.

2.5 Before-Tax Contributions
Before-Tax Contributions mean the contributions made by the Employer on behalf of a Participant pursuant to the Participant's election to reduce Compensation, as described in section 5.1(a).

2.6 Beneficiary
Beneficiary means the person or persons, or entity or entities, designated by the Member under section 8.1(b) to receive any benefits payable on behalf of the Member after his or her death.

2.7 Board
Board means the Board of Directors of the Company.

2.8 Cares Act
Cares Act means the Coronavirus Aid, Relief, and Economic Security Act (2020).

2.9 Code
Code means the Internal Revenue Code of 1986, as amended. A reference to a section of the Code shall also refer to any regulations and other guidance issued under that section.

2.10 Collectively-Bargained Nonelective Employer Contributions
Collectively-Bargained Nonelective Employer Contributions mean the contributions made by an Employer under section 5.5.

2.11 Committee
Committee means the committee described in section 11.1(a).

2.12 Company
Company means Sonoco Products Company or any successor thereto that agrees to assume and continue this Plan.

2.13 Company Stock
Company stock means common stock of the Company that is readily tradable on an established securities market. Company Stock may also include treasury shares and noncallable preferred stock that is convertible into common stock at any time and at a reasonable price. Preferred stock will be treated as noncallable if there is a reasonable opportunity for conversion after a call. All shares of preferred stock will have voting rights equal to the common stock into which they can be converted.

2.14 Compensation

(a) Compensation for Determining Contributions. The Compensation that is subject to a Participant's election to make Before-Tax Contributions under section 5.1(a), Roth Contributions under section 5.1(b), and/or After-Tax Contributions under section 5.2, and the Compensation used to determine the amount of Retirement Contributions made by an Employer under section 5.4 and Collectively-Bargained Nonelective Employer Contributions made by an Employer under section 5.5, shall be an Employee's taxable earnings for the Plan Year (or, for an Employee who was a Participant for less than the full Plan Year, the portion of the Plan Year during which he or she was a Participant) as reported on Federal Wage and Tax Statement (Box 1 of IRS Form W-2)—

(1) increased by any salary reduction contributions made on the Participant's behalf during the Plan Year under any plan maintained by the Company or an Affiliate under Code section 125, 132(f)(4), or 401(k); and

(2) decreased (to the extent included in Box 1 of IRS Form W-2) by—

(A) bonuses, vacation pay, and other payments made after 2½ months after Separation from Service (as defined in section 3.1(e)(2));

(B) severance pay;

(C) reimbursements for moving expenses;

(D) reimbursements for educational expenses;

(E) automobile allowances;

(F) tax counsel allowances;

(G) compensation related to the exercise of stock options or any other stock-related compensation;

(H) expatriate-related expenses;

(I) any form of imputed income;

(J) contributions made by the Company or an Affiliate to this Plan or any other benefit plan;

(K) amounts paid pursuant to a short-term disability plan sponsored by the Company or an Affiliate (other than amounts paid to salaried and nonunion hourly employees under a pay continuation policy); and

(L) in-service payments and other employee benefits provided under this Plan and all other employee benefit plans and deferred compensation plans maintained by the Company or an Affiliate.

(b) Compensation for Determining Limit on Annual Additions. For the purpose of calculating limits on annual additions under section 5.9, Compensation means a Participant's wages, tips, and other compensation which are to be reported on a Federal Wage and Tax Statement (Box 1 of IRS Form W-2) for a Plan Year, and shall include a Participant's salary reduction contributions made during the Plan Year under any plan or program maintained by the Company or an Affiliate under Code section 125, 132(f), or 401(k). Compensation shall include only amounts paid or treated as paid to a Participant prior to his or her severance from employment (as determined pursuant to Code section 415), except as otherwise provided in sections 2.14(b)(1) and (2) below.

(1) The following amounts shall be included in Compensation if paid by the later of 2½ months after the severance from employment or the last day of the Plan Year in which the severance from employment occurs:

(A) regular compensation for services during or outside the Participant's regular working hours, commissions, bonuses, or other similar payments, if the payment would have been paid prior to severance from employment if the Participant had continued in employment;

(B) payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if his or her employment had continued; and

(C) payments received by a Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Participant at the same time if his or her employment had continued and only to the extent that the payment is includible in the Participant's gross income.

(2) Compensation shall include payments to a Participant who does not currently perform services for the Company or an Affiliate by reason of qualified military service (as defined in Code section 414(u)) to the extent that the payments do not exceed the amounts that the Participant would have received if he or she had continued to perform services for the Company or an Affiliate rather than entering military service.

The limitation on Compensation described in section 2.14(f) shall be applied in determining Compensation under this section 2.14(b).

(c) Nondiscrimination Testing. For purposes of satisfying the requirements described in sections 5.8(b) and 5.8(c), Compensation for any Plan Year means the Eligible Employee's wages, tips, and other compensation which are to be reported on a Federal Wage and Tax Statement (Box 1 of IRS Form W-2) for a Plan Year, unless the Committee determines for any such Plan Year to use a different definition of compensation that complies in all respects with Code section 414(s).

(d) Identifying Highly Compensated Employees. For purposes of identifying Highly Compensated Employees, Compensation means the amount determined under section 2.14(b).

(e) Differential Wage Payments for Employees in Active Military Service. Compensation shall include differential wage payments (as defined in Code section 3401(h)(2)) paid to a Participant to the extent required by Code section 414(u)(12) (but shall not be treated as eligible Compensation under section 2.14(a)).

(f) Code Section 401(a)(17) Limit. The Compensation of each Member that may be taken into account under the Plan for any Plan Year shall not exceed $265,000 (or such higher amount determined by the Secretary of the Treasury under Code section 401(a)(17)).

(g) Corenso Compensation. Corenso Compensation, as used in Appendix B for collectively-bargained employees of Corenso, means taxable earnings for the Plan Year (or, for an Employee who was a Participant for less than the full Plan Year, the portion of the Plan Year during which he or she was a Participant) as reported on Federal Wage and Tax Statement (Box 1 of IRS Form W-2):

(1) Increased by any salary reduction contributions made on the Participant's behalf during the Plan Year under any plan maintained by the Company or an Affiliate under Code section 401(k); and

(2) Decreased by profit-sharing bonuses, expense reimbursements, fringe benefits (cash and noncash), moving expenses, payments from a deferred compensation plan, welfare benefits, unused leave, differential wages, commissions, income due to restricted stock or qualified or nonqualified stock options, severance pay (paid before or after termination).

2.15 Eligible Employee

(a) General Rule. An Employee who was an eligible employee under the terms of the Plan on December 31, 2021, shall be an Eligible Employee with respect to Plan benefits other than Retirement Contributions on and after January 1, 2022 if he or she is still an active Employee of an Employer on such date. Except as otherwise provided in section 2.15(c), each other Employee of an Employer shall become an

Eligible Employee with respect to Plan benefits other than Retirement Contributions on his or her Employment Commencement Date.

(b) Eligibility for Retirement Contributions. Effective for Compensation earned after December 31, 2021, no Employees shall be eligible to receive Retirement Contributions unless specifically provided for by a collective bargaining agreement and memorialized in Appendix C of the Plan.

(c) Excluded Employees.

(1) **General Rule.** Notwithstanding Plan sections 2.15(a) and (b), the following individuals shall not be treated as Eligible Employees under this Plan:

(A) an Employee who is classified as a seasonal or temporary Employee. Notwithstanding the foregoing, a seasonal or temporary Employee will be eligible to participate on the first day of the next Plan Year after the earlier of (i) earning 1000 hours of service during a single Plan Year; or (ii) earning at least 500 hours of service in each of three consecutive Plan Years (counting hours of service for this purpose begins with the 2021 Plan Year, the 2024 Plan Year is the first year that a seasonal or temporary Employee could become eligible under this subsection 2.15(c)(1)(A)).

(B) except as provided in section 2.15(d), an Employee who is covered by a collective bargaining agreement, provided that retirement benefits were the subject of good faith bargaining (and the collective bargaining agreement does not provide for such Employee's participation in the Plan);

(C) an Employee who is a non-U.S. citizen employed outside the United States; and

(D) an Employee who is a non-resident alien with no U.S.-source income.

(d) Participating Unions. Notwithstanding section 2.15(c)(1)(B), collectively-bargained Employees will qualify as Eligible Employees to the extent specified in a collective bargaining agreement.

(1) Collectively-bargained Employees who qualify as Eligible Employees with respect to Plan benefits other than Retirement Contributions, and related variations in Plan terms that apply to such Employees, are described in Appendix B.

(2) Collectively-bargained Employees who qualify as Eligible Employees with respect to Retirement Contributions, and related variations in Plan terms that apply to such Employees, are described in Appendix C.

2.16 Employee

Employee means any person employed by the Company or an Affiliate as a common-law employee (and for whom FICA taxes are withheld by the Company or an Affiliate). The term “Employee” excludes individuals who are classified as independent contractors, consultants, or Leased Employees, regardless of whether a government agency, court, or other entity subsequently determines such classification was in error.

2.17 Employer

Employer means the Company and any Affiliate that, with the approval of the Company, elects to adopt this Plan for the benefit of its eligible employees in the manner described in Article 14. Participating Employers (other than the Company), and the effective date of their participation and variations in Plan terms that apply to selected Employers, are listed in Appendix A.

2.18 Employment Commencement Date

Employment Commencement Date means the first day on which an Employee is credited with an Hour of Service (as defined in section 3.2(e)(1)).

2.19 ERISA

ERISA means the Employee Retirement Income Security Act of 1974, as amended, or as it may be amended from time to time. A reference to a section of ERISA shall also refer to any regulations and other guidance issued under that section.

2.20 Fund

Fund means any of the funds established under the Plan for the investment of Members’ Accounts. The Investment Council shall have the discretion to establish and terminate Funds as it may deem appropriate.

Subject to the Investment Council’s discretion to establish and terminate Funds, there shall be a Sonoco Stock Fund which shall be invested exclusively in Company Stock. The portion of the Plan’s assets that are invested in the Sonoco Stock Fund (but not amounts that are transferred from the Sonoco Stock Fund into other Funds) is intended to be a stock bonus plan that qualifies as an employee stock ownership plan under Code section 4975(e)(7).

2.21 Highly Compensated Employee

Highly Compensated Employee means, with respect to any Plan Year, a highly compensated active Employee or a highly compensated former Employee.

(a) A highly compensated active Employee means any Employee who performs services for the Employer during the Plan Year and who either—

(1) is a 5 percent owner (as defined in Code section 416(i)(1)) at any time during the Plan Year or the immediately preceding Plan Year; or

(2) received Compensation from the Company and its Affiliates in the immediately preceding Plan Year in excess of $120,000 (as adjusted pursuant to Code section 415(d)).

(b) A highly compensated former Employee means any Employee who—

(1) separated from service (or was deemed to have separated from service) prior to the Plan Year;

(2) performs no services for the Employer during the Plan Year; and

(3) was a highly compensated active Employee with respect to either the Plan Year in which he or she separated from service or any Plan Year ending on or after such Employee's 55th birthday.

2.22 Investment Council
Investment Council means the individuals appointed by the Board who have the investment powers and responsibilities described in section 11.1(b)(4).

2.23 Leased Employee
Leased Employee means any person who is not an Employee of an Employer and who provides services to an Employer if—

(a) such services are provided pursuant to an agreement between the Employer and any other person;

(b) such person has performed such services for the Employer (or for the Employer and related persons determined in accordance with Code section 414(n)(6)) on a substantially full-time basis for a period of at least one year; and

(c) such services are performed under primary direction or control by the Employer.

If a Leased Employee becomes eligible to participate in the Plan as a result of later employment with an Employer as an Eligible Employee, the Leased Employee shall receive credit for Vesting Service as a Leased Employee. Notwithstanding the preceding paragraph, a Leased Employee shall be included as an Employee for purposes of applying the requirements described in Code section 414(n)(3).

2.24 Matching Contributions
Matching Contributions mean the contributions made by an Employer under section 5.3.

2.25 Member
Member means a Participant or a former Participant who still has an Account balance under the Plan.

2.26 Nonhighly Compensated Employee
Nonhighly Compensated Employee means any Employee who is not a Highly Compensated Employee.

2.27 Participant
Participant means any Eligible Employee who has met and continues to meet the active participation requirements of the Plan as set forth in Article 4.

2.28 Pay Reduction Agreement
Pay Reduction Agreement means an agreement described in section 5.7.

2.29 Plan
Plan means this Sonoco Retirement and Savings Plan, as amended.

2.30 Plan Year
Plan Year means the calendar year.

2.31 Predecessor Plan
Predecessor Plan means the Sonoco Investment and Retirement Plan and any other qualified plan that the Company elects to merge into this Plan.

2.32 Preretirement Survivor Annuity
Preretirement Survivor Annuity means an annuity payable for the life of the Member's surviving Spouse, having a value equal to the Member's Tuscarora Money Purchase Pension Plan Account that is payable as an annuity upon the Member's death, as determined under section 8.5(b)(1).

2.33 Qualified Joint and Survivor Annuity
Qualified Joint and Survivor Annuity means an annuity that provides a level monthly benefit to the Member for his or her lifetime and, upon the Member's death, provides an annuity for the life of his or her surviving Spouse (to whom the Member was married on the Annuity Starting Date) in an amount equal to 50 percent of the amount payable to the Member during his or her life. The Qualified Joint and Survivor Annuity shall be payable only as required under section 8.5(a) and shall have a value equal to the Member's Tuscarora Money Purchase Pension Plan Account.

2.34 Qualified Optional Survivor Annuity
Qualified Optional Survivor Annuity means an annuity that provides a level monthly benefit to the Member for his or her lifetime and, upon the Member's death, provides an annuity for the life of his or her surviving Spouse (to whom the Member was married on the Annuity Starting Date) in an amount equal to 75 percent of the amount payable to the Member during his or her life. The Qualified Optional Survivor Annuity shall be payable only as required under section 8.5(a) and shall have a value equal to the Member's Tuscarora Money Purchase Pension Plan Account.

2.35 Retirement Contributions
Retirement Contributions mean the contributions made by an Employer under section 5.4 and Appendix C.

2.36 Secure Act
Secure Act means the Setting Every Community Up for Retirement Enhancement Act of 2019.

2.37 Single Life Annuity
Single Life Annuity means an annuity providing equal monthly payments for the lifetime of a Member with no survivor benefits. The Single Life Annuity shall be payable only as required under section 8.5(a) and shall have a value equal to the Member's Tuscarora Money Purchase Pension Plan Account.

2.38 Social Security Wage Base
Social Security Wage Base means for any Plan Year, the maximum wages on which Social Security taxes are assessed for old age, survivors, and disability insurance benefits for such Plan Year.

2.39 Spouse
Prior to June 26, 2013, Spouse means a person of the opposite sex to whom a Member was legally married (as recognized under the laws of the State where the marriage was contracted and also under federal law, including the Defense of Marriage Act and the Code) immediately prior to the earlier of (a) the date on which a distribution to the Member begins under Article 5; or (b) the date of the Member's death.

Effective June 26, 2013, Spouse means a person to whom a Member is legally married (as recognized under federal law) immediately prior to the earlier of (a) the date on which a distribution to the Member begins under Article 5; or (b) the date of the Member's death.

2.40 Ten-Year Certain and Life Annuity
Ten-Year Certain and Life Annuity means a monthly annuity payable for the lifetime of the Member, and if the Member dies before receiving 120 monthly payments, such payments shall continue to the Member's Beneficiary until a total of 120 payments have been made. A Ten-Year Certain and Life Annuity shall be payable only as required under section 8.5(a) and shall have a value equal to the Member's Tuscarora Money Purchase Pension Plan Account.

2.41 Trust Agreement
Trust Agreement means the agreement under which Plan assets are held and invested under Article 12.

2.42 Trust Fund
Trust Fund means the trust fund established under Article 12 to hold the assets of the Plan.

2.43 Trustee
Trustee means any corporation or individual acting as trustee of the Trust Fund.

2.44 Valuation Date
Valuation Date means each day on which the New York Stock Exchange is open for business.

2.45 Vested Balance
Vested Balance as of a given date means the sum of—

(a) The Member’s After-Tax Contributions Account, After-Tax Rollover Contributions Account, Before-Tax Contributions Account, Paysop Account, Rollover Contributions Account, Roth Contributions Account, Roth Rollover Contributions Account, Tuscarora Money Purchase Pension Plan Account, Prior Plan Matching Contributions Account, PPI 401(k) Account, PPI Profit Sharing Account; Peninsula 401(k) Account; Clear Lam 401(k) Account; Conitex 401(k) Account; Corenso 401(k) Account; TEQ 401(k) Account; and Sebro 401(k) Account.

(b) the Member’s Vested Percentage, as determined under section 7.2, multiplied by the balance in his or her Matching Contributions Account;

(c) the Member’s Vested Percentage, as determined under section 7.3, multiplied by the balance in his or her Retirement Contributions Account; and

(d) the Member’s Vested Percentage, as determined under section 7.4, multiplied by the balance in his or her Collectively-Bargained Nonelective Employer Contributions Account.

2.46 Vested Percentage
Vested Percentage means the percentage determined under section 7.2, 7.3, or 7.4, as applicable.

2.47 Vesting Service
Vesting Service means the period of employment determined under Article 3.

Article 3. Vesting Service

3.1 Elapsed Time Vesting Service

(a) Applicability. Years of Vesting Service will be determined on an elapsed time basis for purposes of determining a Member's Vested Percentage in his or her:

(1) Retirement Contributions Account;

(2) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the Employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1517, representing union Employees at the Company's USPMC – DePere location;

(3) Matching Contributions Account and Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the Employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 273, representing union Employees at the Company's USPMC – Menasha location;

(4) Matching Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the Employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1-150, representing union Employees at the Company's Orville location;

(5) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the employer and the International Union of Operating Engineers, Local #465, representing union Employees at Tegrant Corporation's Butner, NC location;

(6) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the employer and the International Association of Machinists and Aerospace Workers Union, Local #1546, representing union maintenance Employees at Tegrant Corporation's Hayward, CA location;

(7) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the employer and the Teamsters Union, IBT Local #853, representing union production Employees at Tegrant Corporation's Hayward, CA location; and

(8) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local #851, representing union Employees at Tegrant Corporation's Pardeeville, WI location.

(b) General Rule. Except as otherwise provided below, an Employee shall receive elapsed time Vesting Service beginning on the Employee's Employment Commencement Date and ending upon the Employee's Separation from Service (as defined in section 3.1(e)(2)).

Vesting Service shall be expressed in completed full years and months, aggregating non-continuous partial months into whole 30 day months and ignoring the remaining days.

(c) Pre-Acquisition Service. If an individual becomes an Employee in connection with the Company's or an Affiliate's acquisition of such individual's prior employer, the period of employment with the prior employer shall be included in the Employee's elapsed time Vesting Service under this section 3.1.

(d) Reinstatement of Elapsed Time Vesting Service. If an Employee incurs a Separation from Service (as defined in section 3.1(e)(2)) and is then subsequently reemployed by the Company or an Affiliate as an Employee, the elapsed time Vesting Service the Employee had upon his or her Separation from Service shall be reinstated immediately upon his or her reemployment.

In addition, if such Separation from Service was on account of quit, discharge, or retirement, the Employee shall receive elapsed time Vesting Service for the period of absence (but not in excess of 12 months). Moreover, if the Employee's Separation from Service was for a reason other than quit, discharge, or retirement, but the Employee then quits, is discharged, or retires during such absence, and is then reemployed by the Company or an Affiliate before the first anniversary of the original absence, the Employee shall receive elapsed time Vesting Service for the period of absence (but not in excess of 12 months).

(e) Definitions Applicable to Elapsed Time Vesting Service

(1) **One-Year Period of Separation** is used in determining whether Plan balances accrued before a Member's Separation from Service (as defined in section 3.1(e)(2)) will be reinstated under section 7.7 in the event of the Member's subsequent reemployment by the Company or an Affiliate. One-Year Period of Separation means a 12-consecutive-month period beginning on the date an Employee incurs a Separation from Service and ending on each anniversary of such date, provided that the Employee does not perform an Hour of Service (as defined in section 3.2(e)(1))for the Company or an Affiliate during such period.

Solely for the purpose of determining whether a One-Year Period of Separation has occurred, in the case of an Employee who is absent from work beyond the first anniversary of the first day of an absence, and the absence is for maternity or paternity reasons, the date the Employee incurs a Separation from Service shall be the second anniversary of the Employee's absence from employment. An absence from work for maternity or paternity reasons means an absence—

(A) by reason of pregnancy of the individual;

(B) by reason of the birth of a child of the individual;

(C) by reason of the placement of a child with the individual in connection with the individual's adoption of such child; or

(D) for the purpose of caring for such child for a period beginning immediately following such birth or placement.

In addition, for purposes of determining whether an Employee has incurred a One-Year Period of Separation, a leave that is protected under the Family and Medical Leave Act of 1993 shall be treated as a period of active employment.

(2) **Separation from Service** means the earlier of—

(A) the date on which the Employee quits, is discharged, retires, or dies; or

(B) the first anniversary of the Employee's absence from employment with the Company or an Affiliate (with or without pay) for any other reason, such as vacation, holiday, layoff, leave of absence, or military service (except as provided in section 3.3).

An Employee who fails to return to employment at the expiration of an approved leave of absence shall be deemed to have had a Separation from Service on the first to occur of the expiration of the leave or the first anniversary of the first day of the absence.

3.2 Hours-Based Vesting Service

(a) Applicability. Years of Vesting Service will be determined on the basis of a Member's Hours of Service (as defined in section 3.2(e)(1)) for purposes of determining a Member's Vested Percentage in his or her:

(1) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the Employer and the Chicago & Midwest Regional Joint Board Affiliate of Workers United, SEIU, covering union employees at the Company's Edinburgh location; and

(2) Collectively-Bargained Nonelective Employer Contributions Account accumulated pursuant to the collective bargaining agreement in effect between the Employer and the Graphic Communications International Union Local 508M, covering union employees at the Company's Franklin location.

(b) General Rule. Except as provided below, an Employee shall be credited with one year of hours-based Vesting Service for each Plan Year in which the Employee is credited with 1,000 or more Hours of Service (as defined in section 3.2(e)(1)).

(c) Pre-Acquisition Service. If an individual becomes an Employee in connection with the Company's or an Affiliate's acquisition of such individual's prior employer, the period of employment with the prior employer shall be included in the Employee's Vesting Service under this section 3.2.

(d) Reinstatement of Hours-Based Vesting Service. If an Employee is reemployed by the Company or an Affiliate as an Employee after an earlier Termination Date (as defined in section 3.2(e)(3)), the Vesting Service earned by the Employee prior to such Termination Date shall be reinstated upon his or her reemployment.

(e) Definitions Applicable to Hours-Based Vesting Service.

(1) **Hour of Service** means each hour used to determine an individual's hours-based Vesting Service under this section 3.2, determined as follows:

(A) **For the Performance of Duties.** An Employee shall receive an Hour of Service for each hour for which the Employee is paid or entitled to payment by the Company or an Affiliate for the performance of duties. Hours of Service under this section 3.2(e)(1)(A) shall be credited to the Employee in the Plan Year in which the duties are performed.

(B) **Periods During Which No Duties are Performed.** An Employee shall receive an Hour of Service for each hour for which the Employee is directly or indirectly paid or entitled to payment by the Company or an Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours of Service under this section 3.2(e)(1)(B) shall be credited to the Employee in the Plan Year for which the Employee is paid or entitled to payment.

(C) **Back Pay.** An Employee shall receive an Hour of Service for each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Company or an Affiliate. Hours of Service under this section 3.2(e)(1)(C) shall be credited to the Employee in the Plan Year to which the award or agreement relates.

(D) **Hours Not Counted.** This section 3.2(e)(1)(D) limits the Hours of Service credited for periods during which no duties are performed and it shall be applied without regard to whether Hours of Service otherwise would have been counted for these periods under sections 3.2(e)(1)(B) or (C).

(i) **Nonduplication.** No hour shall be credited as an Hour of Service more than once under this section 3.2(e)(1).

(ii) **Unpaid Time.** An hour for which an Employee is not paid, either directly or indirectly, shall not be credited, except as provided in section 3.2(e)(1)(E) (regarding maternity or paternity leave), section 3.2(e)(1)(F) (regarding a leave of absence pursuant to the Family and Medical Leave Act of 1993), and section 3.2(e)(1)(G) (regarding military leave).

(iii) **Workers' Compensation, Disability Insurance, or Unemployment Compensation.** An hour for which an Employee is directly or indirectly paid or entitled to payment on account of a period during which the Employee performs no duties shall not be credited as an Hour of Service if the payment is made or due under a plan maintained solely for the purpose of complying with applicable disability insurance or unemployment compensation laws.

(iv) **Medical Reimbursement.** Hours of Service shall not be credited for a payment that solely reimburses the Employee for medical or medically-related expenses.

(E) **Maternity/Paternity Leave.** Solely for purposes of determining whether a One-Year Break in Service (as defined in section 3.2(e)(2)) has occurred, an Employee shall receive eight Hours of Service for each day of the Employee's absence from employment for maternity or paternity reasons. An absence for maternity or paternity reasons shall mean an absence by reason of—

(i) the Employee's pregnancy;

(ii) the birth of the Employee's child;

(iii) the placement of a child with the Employee in connection with the adoption of the child; or

(iv) the caring for a child for a period immediately following the child's birth or placement.

No more than 501 Hours of Service shall be credited under this subsection for any such absence. Hours of Service under this subsection shall be credited in the Plan Year in which the absence from employment commences if the crediting is necessary to prevent a One-Year Break in Service, or in all other cases, such Hours of Service shall be credited in the following Plan Year.

(F) **FMLA Leave.** Solely for purposes of determining whether a One-Year Break in Service (as defined in section 3.2(e)(2)) has occurred, an Employee shall receive an Hour of Service for each hour of the normally-scheduled workweek for each week during any period the Employee is on an approved leave of absence taken pursuant to the Family and Medical Leave Act of 1993.

(G) **Military Leave.** An Employee shall receive an Hour of Service for each hour of the normally-scheduled workweek for each week during any period the Employee is absent from work with the Company or an Affiliate for voluntary or involuntary military service with the armed forces of the United States, but not to exceed the period required under the law pertaining to veterans' reemployment rights. However, if the Employee fails to report for work at the end of this absence before his or her reemployment rights expire, the Employee shall not receive credit for hours on the leave.

(H) **Construction.** For purposes of crediting Hours of Service, the Committee shall follow Department of Labor regulation sections 2530.200b-2(b) and (c).

(2) **One-Year Break in Service.** One-Year Break is used in determining whether Plan balances accrued before a Member's Termination Date (as defined in section 3.2(e)(3)) will be reinstated under section 7.7 in the event of the Member's subsequent reemployment by the Company or an Affiliate. One-Year Break in Service means a Plan Year during or after a Termination Date (as defined in section 3.2(e)(3)) occurs in which an Employee is credited with 500 or fewer Hours of Service.

(3) **Termination Date.** Termination Date means the last day on which an individual performs duties as an Employee of the Company or an Affiliate, or any other date determined in accordance with the Company's policies and practices.

3.3 Military Service

Notwithstanding any other provision in the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code sections 414(u) and 401(a)(37). If a Participant dies while performing qualified military service, his or her Beneficiaries are entitled to any additional benefits provided under the Plan had the participant resumed employment and then terminated employment on account of his or her death.

Article 4. Eligibility and Enrollment

4.1 Eligibility

(a) General Rule: Each Employee who was eligible to participate under the terms of the Plan on December 31, 2021 shall be eligible to participate under this Plan as of January 1, 2022 if he or she is still an Eligible Employee on such date. Except as otherwise provided in Appendix B, each other Employee shall be eligible to become a Participant with respect to Plan benefits other than Retirement Contributions as of the first day of the month next following the later of—

(1) the date on which the Employee completes 30 days of service; or

(2) the date on which the Employee becomes an Eligible Employee.

Notwithstanding the above, an Eligible Employee shall be eligible to make a Rollover Contribution as provided in section 5.6 before satisfying the service requirement described in this section 4.1(a). However, any such Eligible Employee shall be treated as a Participant hereunder solely with regard to his or her Rollover Contributions Account until he or she satisfies the eligibility requirements described in this section 4.1(a).

Notwithstanding the foregoing, Employees who are initially hired as a result of an acquisition will not be eligible to participate in the Plan until the Plan is amended to permit participation.

(b) Eligibility for Retirement Contributions: Effective for Compensation earned after December 31, 2021, no individual is eligible to receive Retirement Contributions unless specifically provided for in a collective bargaining agreement and memorialized in Appendix C of this Plan. Unless otherwise specified, such individuals will be eligible to receive Retirement Contributions described in section 5.4 as of the first day of the month next following the later of—

(1) The date on which the Employee completes one year of Vesting Service (as determined under section 3.1);

(2) The date on which the Employee attains age 21; and

(3) The date on which the Employee becomes an Eligible Employee.

(c) Special Eligibility Provision: Employees who were first employed by the Company as part of the acquisition described in the “STOCK PURCHASE AGREEMENT by and among Sonoco Flexible Packaging, Co., Inc., as the Purchaser, Plastic Packaging, Inc., as the Company, each of the Sellers identified on the signature pages hereto, and Steven D. Yeater, as Sellers’ Representative Dated as of October 28, 2016” will not be eligible to participate in the Plan until January 1, 2017, and are not eligible to earn Retirement Contributions under Section 5.4.

On February 2, 2017, Plastic Packaging, Inc. was renamed Sonoco Hickory, Inc. Employees who are employed by Sonoco Hickory, Inc. (formerly known as Plastic Packaging, Inc.) are not eligible to earn Retirement Contributions under Section 5.4. This applies to all employees of Sonoco Hickory, Inc., even those who transferred from positions in which they were eligible for Retirement Contributions prior to the effective date of the transfer.

(d) **Special Eligibility Provision:** Employees who were first employed by the Company as part of the acquisition of the Peninsula Packaging Company described in the “AGREEMENT AND PLAN OF MERGER Dated as of February 15, 2017, by and among Sonoco Plastics, Inc., as the Acquiror, Sequoia 2017, Inc., as Merger Sub, Sonoco Products Company, solely for purposes of Section 13.17 as Parent Guarantor, and Packaging Holdings, Inc., as the Company, and Odyssey Investment Partners, LLC, as the Holder Representative” will not be eligible to participate in the Plan until January 1, 2018, and are not eligible to earn Retirement Contributions under Section 5.4.

The acquired company is known as the Peninsula Packaging Company. Employees who are employed by the Peninsula Packaging Company are not eligible to earn Retirement Contributions under Section 5.4. This applies to all employees of the Peninsula Packaging Company, even those who transferred from positions in which they were eligible for Retirement Contributions prior to the effective date of the transfer.

(e) **Special Eligibility Provision:** Employees who were first employed by the Company as part of the acquisition of Clear Lam Packaging, Inc., completed on or about July 24, 2017, will not be eligible to participate in the Plan until January 1, 2018, and are not eligible to earn Retirement Contributions under Section 5.4.

On January 30, 2018, Clear Lam Packaging, Inc. was renamed Sonoco Elk Grove, Inc. Employees who are employed by Sonoco Elk Grove, Inc. (formerly known as Clear Lam Packaging, Inc.) are not eligible to earn Retirement Contributions under Section 5.4. This applies to all employees of Sonoco Elk Grove, Inc., even those who transferred from positions in which they were eligible for Retirement Contributions prior to the effective date of the transfer.

(f) **Special Eligibility Provision:** Employees who were first employed by the Company as part of the acquisition described in the “PURCHASE AGREEMENT dated as of March 21, 2018 by and among SONOCO PLASTICS, INC., as Purchaser, HIGHLAND PACKAGING SOLUTIONS, INC., as the Company, each of the Holders identified on the signature pages hereto, as the Holders, JOHN D. DURHAM, As Holders’ Representative, and SONOCO PRODUCT COMPANY as the Parent Guarantor” will be eligible to participate in the Plan beginning on January 1, 2019 and will be eligible to earn Retirement Contributions under Section 5.4 starting on the same date.

(g) **Special Eligibility Provision:** US-based employees who became employed by the Company as part of the acquisition described in the "SHARE PURCHASE AGREEMENT dated as of May 28, 2018 by and among SONOCO INTERNATIONAL (BVI), INC., as Acquiror, CONITEX SONOCO (BVI), LTD., as the Company, and TEXPACK INVESTMENTS, INC. as the Seller will be eligible to participate in the Plan beginning on January 1, 2019 and will be eligible to earn Retirement Contributions under Section 5.4 starting on the same date. Employees described above who are not based in the US are not eligible to participate in the Plan.

(h) **Special Eligibility Provision:** Employees who were first employed by the Company as part of the acquisition described in the "STOCK PURCHASE AGREEMENT by and among NORDIC PACKAGING AND CONTAINER INTERNATIONAL, INC., CORENSO HOLDINGS AMERICA INC. and SONOCO PRODUCTS COMPANY, May 17, 2019" will be eligible to participate in the Plan beginning on January 1, 2020, and nonunion members of the group will be eligible to earn Retirement Contributions under Section 5.4 starting on the same date. Provisions applicable to union employees are found in Appendix B.

(i) Effective for Compensation earned after December 31, 2021, no Employees shall be eligible to receive Retirement Contributions unless specifically provided for by a collective bargaining agreement and memorialized in Appendix C of the Plan.

4.2 Enrollment

Subject to section 5.7(b) (regarding automatic enrollment), an Eligible Employee who is entitled to become a Participant under section 4.1(a) may enroll in the Plan—and make Before-Tax under section 5.1(a), Roth Contributions under section 5.1(b), and After-Tax Contributions under section 5.2, as of the first day of the month next following his or satisfaction of the eligibility requirements described in section 4.1(a), or as of the first day of any subsequent payroll period, by completing a Pay Reduction Agreement under section 5.7.

4.3 Transfers of Employment

(a) **General Rules.** This section 4.3(a) describes how employment transfers affect eligibility for Plan benefits other than Retirement Contributions.

(1) **Transfer into Position as Eligible Employee.** When an Employee transfers from a position of employment in which he or she is not an Eligible Employee with respect to Plan benefits other than Retirement Contributions (as defined in section 2.15(a)) into a position of employment where he or she is such an Eligible Employee, the Eligible Employee shall be eligible to become a Participant with respect to Plan benefits other than Retirement Contributions—

(A) immediately as of the transfer date if he or she had satisfied the service requirement described in section 4.1(a)(1) as of such date; or

(B) as of the date determined under section 4.1(a) if he or she had not met the service requirement described in section 4.1(a)(1) as of the transfer date.

(2) **Transfer into Position as Ineligible Employee.** If an Employee who is an Eligible Employee with respect to Plan benefits other than Retirement Contributions (as defined in section 2.15(a)) transfers into a position of employment in which he or she is no longer such an Eligible Employee, such Employee shall not be entitled to —

(A) make any Before-Tax Contributions under section 5.1(a), Roth Contributions under section 5.1(b), or After-Tax Contributions under section 5.2, or

(B) receive any Matching contributions under section 5.3 or Collectively-Bargained Nonelective Employer Contributions under section 5.5,

with respect to Compensation earned after the date of transfer.

(b) Impact of Employment Transfers on Eligibility for Retirement Contributions. This section 4.3(b) describes how employment transfers affect eligibility for Retirement Contributions.

(1) **Transfer into Position as Eligible Employee.** Except as otherwise provided in this section 4.3(b)(1), when an Employee transfers from a position of employment in which he or she is not an Eligible Employee with respect to Retirement Contributions (as defined in section 2.15(b)) into a position of employment where he or she is such an Eligible Employee, the Employee shall become a Participant with respect to Retirement Contributions —

(A) immediately as of the transfer date if he or she is at least age 21 and has completed one or more years of Vesting Service as of such transfer date; or

(B) as of the date determined under section 4.1(b) if he or she did not meet the requirements described in section 4.3(b)(1)(A) as of the transfer date.

However, if a nonunion Employee who is actively participating in a pay-based defined benefit plan sponsored by the Company or an Affiliate transfers to a position of employment with an Employer hereunder, such individual shall continue as an active participant in such defined benefit plan and shall not be treated as an Eligible Employee with respect to Retirement Contributions (except as provided otherwise under section 2.15(b)(3)).

(2) **Transfer into Position as Ineligible Employee.** If an Employee who is an Eligible Employee with respect to Retirement Contributions (as defined in section 2.15(b)) transfers into a position of employment in which he or she is no longer such an Eligible Employee, such Employee shall not be entitled to any Retirement Contributions under section 5.4 with respect to Compensation earned after the date of transfer.

(c) Transfer of Plan Accounts. If a Member transfers to a position of employment with a nonparticipating Affiliate that maintains a qualified retirement plan under Code section 401(a) that will accept a transfer of the Participant's Account from this Plan, the Committee may, in its sole discretion, direct the Trustee to transfer such Member's Account to this other plan. The Trustee will execute the transfer as soon as practicable after receiving appropriate directions from the Committee.

4.4 Participation upon Reemployment

(a) General Rule. This section 4.4(a) describes when a former Employee who is reemployed by an Employer can become a Participant with respect to Plan benefits other than Retirement Contributions upon reemployment. If such former Employee is reemployed as an Eligible Employee with respect to Plan benefits other than Retirement Contributions (as defined in section 2.15(a)), he or she shall be eligible to become a Participant with respect to such benefits—

(1) immediately upon reemployment if he or she had satisfied the service requirement described in section 4.1(a)(1) as of such date; or

(2) in all other cases, as of the date determined under section 4.1(a), assuming such individual is treated as a new Employee under this Plan at the time of his or her reemployment.

(b) Impact of Reemployment on Eligibility for Retirement Contributions. This section 4.4(b) describes when a former Employee who is reemployed by an Employer can become a Participant with respect to Retirement Contributions. If such former Employee is reemployed as an Eligible Employee with respect to Retirement Contributions (as defined in section 2.15(b)), he or she will become a Participant with respect to Retirement Contributions—

(1) immediately upon reemployment if—

(A) such Employee was vested in his or her Retirement Contributions Account under Article 7 upon his or her earlier Separation from Service (as defined in section 3.1(e)(2)); or

(B) such Employee is at least age 21 upon his or her reemployment and had completed one or more years of Vesting Service as of his or her earlier Separation from Service (as defined in section 3.1(e)(2)); or

(2) in all other cases, as of the date determined under section 4.1(b).

Article 5. Contributions and Allocations

5.1 Before-Tax Contributions

(a) Election by Participant. Each Eligible Employee who has met the participation requirements described in section 4.1(a) may elect to have his or her Compensation reduced under a Pay Reduction Agreement described in section 5.7, and to have this amount contributed on his or her behalf as a Before-Tax Contribution to the Plan. Subject to the limits described in sections 5.8(a) and 5.9 (and Appendix A or Appendix B, if applicable), this reduction for Before-Tax Contributions shall be a specified whole percentage of Compensation. Notwithstanding the above, in the interests of managing nondiscrimination test results under section 5.8(b) for any Plan Year, the Committee may, in its sole and absolute discretion, impose more restrictive limits on the percentage of Compensation that may be contributed as Before-Tax Contributions by Participants who are Highly Compensated Employees.

(b) Roth Contributions. Each Eligible Employee who has met the participation requirements described in section 4.1(a) may elect to designate all or a part of his or her Before-Tax Contributions as Roth Contributions. Such designation shall be prospective only and shall be made at the time and in the manner specified by the Committee. Any election by a Participant to designate all or part of his or her Before-Tax Contributions as Roth Contributions shall remain in force until modified by the Participant or until the Participant ceases to be eligible to participate in the Plan.

Amounts designated as Roth Contributions shall be included in the Participant's taxable income in the year of contribution, but unless otherwise noted, these Roth Contributions shall be treated as Before-Tax Contributions for all other purposes under this Plan.

(c) Catch-Up Contributions. Each Eligible Employee who has met the participation requirements described in section 4.1(a), and who has attained age 50 before the end of the Plan Year, shall be eligible to make a separate election of catch-up contributions in accordance with, and subject to the limitations of, Code section 414(v). Such catch-up contributions shall not be taken into account for purposes of the Plan provisions implementing the required limitations of Code sections 402(g) and 415. In addition, the Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416, as applicable, by reason of making such catch-up contributions.

(d) Payment to Trust Fund. The Employer shall contribute to the Trust Fund the Before-Tax Contributions and Roth Contributions elected by its Eligible Employees for each payroll period. These contributions shall be made as soon as practicable after the payroll period, provided that in no event shall contributions under this section for any Plan Year be made later than—

(1) the date prescribed by law for the Employer to obtain a federal income tax deduction for the Plan Year for which the contributions are made; or

(2) the date required under ERISA, if earlier.

Contributions under section 5.1(a) shall be allocated to the Participant's Before-Tax Contributions Account and contributions under section 5.1(b) shall be allocated to the Participant's Roth Contributions Account.

5.2 After-Tax Contributions

(a) Election by Participant. Each Eligible Employee who has met the participation requirements described in section 4.1(a) may elect to make After-Tax Contributions for each payroll period in an amount specified by the Participant under a Pay Reduction Agreement described in section 5.7. This reduction for After-Tax Contributions shall be a whole percentage of Compensation (subject to the limits of section 5.9 and Appendix A or Appendix B, if applicable). Notwithstanding the above, in the interests of managing nondiscrimination test results under section 5.8(c) for any Plan Year, the Committee may, in its sole and absolute discretion, impose more restrictive limits on the percentage of Compensation that may be contributed as After-Tax Contributions by Participants who are Highly Compensated Employees.

(b) Payments to the Trust Fund. After-Tax Contributions under this section 5.2 shall be paid to the Trust Fund as soon as practicable after the payroll period, and in no event after the date required by ERISA. Contributions under this section shall be allocated to the Participant's After-Tax Contributions Account.

5.3 Matching Contributions

(a) Regular Matching Contributions. Except as provided in Appendix A and Appendix B, each Employer shall make Matching Contributions on behalf of each of its Participants for each payroll period in an amount equal to 50 percent of the first 4 percent of Compensation contributed on behalf of the Participants for each payroll period (but only with respect to Before-Tax Contributions under section 5.1(a) or Roth Contributions under section 5.1(b)). However, an Employer shall not make Matching Contributions with respect to Before-Tax Contributions that a Participant separately elects to make as catch-up contributions pursuant to section 5.1(c), regardless of whether any Before-Tax Contributions so elected are categorized as catch-up contributions in accordance with Code section 414(v). Effective for Compensation paid after December 31, 2021, the amount of regular matching contributions described above shall be increased to a safe harbor matching contribution of 100 percent of the first six percent of Compensation. No other provisions of this section are changed.

(b) True-Up Matching Contributions. Except as provided in Appendix A and Appendix B, for each Plan Year, the Employer shall provide to each Participant who is in active employment with the Company or an Affiliate on the last day of the Plan Year an additional “true- up” Matching Contribution equal to the difference (if any) between—

(1) the Matching Contribution to which the Participant would have been entitled under section 5.3(a) considering the amount of the Participant’s Before-Tax Contributions and Roth Contributions for the entire Plan Year; and

(2) the Matching Contribution made throughout such Plan Year on a pay period by pay period basis.

This “true- up” Matching Contribution shall be made as soon as administratively feasible following the end of each Plan Year (to be allocated to such Participant’s Account as of the last day of such prior Plan Year). True-up Matching Contributions will be invested pursuant to the investment elections that are current at the time such contributions are made. In no event will adjustments to the “true-up” Matching Contributions be made to reflect any changes in investment performance which occur prior to the date such contributions are actually made.

(c) Payments to the Trust Fund. Matching Contributions under this section 5.3 shall be paid to the Trust Fund at such time or times as the Employer may determine, but not later than—

(1) the date prescribed by law for the Employer to obtain a federal income tax deduction for the Plan Year for which the contributions are made; or

(2) the date required under ERISA, if earlier.

Contributions under this section shall be allocated to the Participant’s Matching Contributions Account.

5.4 Retirement Contributions

(a) Eligibility

(1) Prior to January 1, 2022, an Employee who qualified as a Participant under section 4.1(b) was entitled to a Retirement Contribution for the Plan Year if he or she either—

(A) was actively employed by the Company or an Affiliate on the last day of the Plan Year; or

(B) terminated employment before the last day of the Plan Year on account of death or after reaching age 55.

(2) Effective for Compensation earned after December 31, 2021, no Employees shall be eligible to receive Retirement Contributions unless specifically provided for by a collective bargaining agreement and memorialized in Appendix C of the Plan. Employees with Retirement Contributions specifically provided for Appendix C are not required to be actively employed on the last day of the Plan Year in order to be eligible to receive Retirement Contributions.

(b) Amount. For each Plan Year, an Employer shall make Retirement Contributions to the Account of each of its Participants who meets the eligibility requirements described in section 5.4(a) equal to the sum of—

(1) 4 percent of such Participant's eligible Compensation for the Plan Year; and

(2) 4 percent of such Participant's eligible Compensation for the Plan Year in excess of the Social Security Wage Base.

However, notwithstanding the above, only Compensation earned after an Eligible Employee has become a Participant (as determined under section 4.1(b)) shall be considered in determining the amount of Retirement Contributions under this section 5.4(b).

(c) Payment to Trust Fund. Retirement Contributions under this section 5.4 shall be paid to the Trust Fund at such time or times as the Employers may determine, but not later than—

(1) the date prescribed by law for the Employer to obtain a federal income tax deduction for the Plan Year for which the contributions are made; or

(2) the date required under ERISA, if earlier.

Contributions under this section shall be allocated to the Participant's Retirement Contributions Account.

5.5 Collectively-Bargained Nonelective Employer Contributions

(a) Eligibility. A collectively-bargained Employee who qualifies as an Eligible Employee under section 2.14(d)(1) shall be entitled to Collectively-Bargained Nonelective Employer Contributions for the Plan Year if he or she—

(1) qualifies as a Participant for such Plan Year under section 4.1(a);

(2) is covered by a collective-bargaining agreement that provides for such contributions, as described in Appendix B; and

(3) satisfies the additional eligibility requirements that apply to such contributions (if any), as described in Appendix B.

(b) Amount. For each Plan Year, an Employer shall make Collectively-Bargained Nonelective Employer Contributions to the Account of each of its Participants who meet the eligibility requirements described in section 5.5(a) equal to the amount determined under Appendix B.

(c) Payment to Trust Fund. Collectively-Bargained Nonelective Employer Contributions under this section 5.5 shall be paid to the Trust Fund at such time or times as the Employers may determine, but not later than—

(1) the date prescribed by law for the Employer to obtain a federal income tax deduction for the Plan Year for which the contributions are made; or

(2) the date required under ERISA, if earlier.

Contributions under this section shall be allocated to the Participant's Collectively-Bargained Nonelective Employer Contributions Account.

5.6 Rollover Contributions

(a) General Rule. This section 5.6(a) applies to the rollover of eligible distributions other than Roth rollovers. In accordance with procedures established by the Committee, an Eligible Employee may contribute cash amounts attributable to eligible rollover distributions from:

(1) a qualified plan described in Code section 401(a) or 403(a), including the direct rollover of after-tax employee contributions made to such plan;

(2) an annuity contract described in Code section 403(b); or

(3) an eligible plan under Code section 457 that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

An Eligible Employee may also contribute cash distributions from an individual retirement account or annuity described in Code section 408(a) or (b) that are eligible to be rolled over and would otherwise be includible in gross income.

The Committee may, in its sole and absolute discretion, direct the return of rollover contributions to an Eligible Employee if the Committee determines that such return is necessary to insure the continued qualification of the Plan under Code section 401(a).

Rollover contributions shall be credited to the Eligible Employee's Rollover Contributions Account, except that a rollover of after-tax employee contributions shall be credited to the Eligible Employee's After-Tax Rollover Contributions Account.

(b) Roth Rollover Contributions. In accordance with procedures established by the Committee, an Eligible Employee may contribute a qualified Roth rollover to the Plan including—

(1) a direct transfer from a designated Roth account under another qualified plan described in Code section 401(a); or

(2) an indirect transfer of the portion of a distribution from a designated Roth account under another applicable retirement plan that would have been includible in the Eligible Employee's gross income if not for the rollover.

Amounts contributed to the Plan pursuant to this section 5.6(b) shall be credited to the Eligible Employee's Roth Rollover Contributions Account.

5.7 Pay Reduction Agreements

(a) General Rule. Except as provided in section 5.7(b), an Eligible Employee who has satisfied the requirements to become a Participant section 4.1(a) can make Before-Tax Contributions under section 5.1(a), Roth Contributions under section 5.1(b), catch-up contributions under section 5.1(c), and After-Tax Contributions under section 5.2 only by filing with the Committee a Pay Reduction Agreement in a manner specified by the Committee. Under this Pay Reduction Agreement, the Eligible Employee's Compensation may be reduced on a before-tax and/or after-tax basis (as specified by the Eligible Employee) within the limits specified under section 5.1 or section 5.2 (as applicable), and the Employer shall agree to contribute these withheld amounts to the Plan on the Eligible Employee's behalf in accordance with section 5.1 or section 5.2 (as applicable).

The Pay Reduction Agreement shall be filed with the Committee at a time specified by the Committee before the date on which it is to take effect. A Participant's Pay Reduction Agreement shall remain in effect until canceled or amended.

(b) Automatic Enrollment for Newly Eligible Employees.

(1) **General Rule.** Except as provided in Appendix A or Appendix B, an Eligible Employee shall be treated as having filed a Pay Reduction Agreement authorizing Before-Tax Contributions equal to three percent of Compensation, commencing as of the first day of the month next following his or her satisfaction of the eligibility requirements described in section 4.1(a) unless such Eligible Employee affirmatively elects in advance of such date to contribute at a different percentage, to contribute on a Roth or after-tax basis, or to decline participation. Effective April 1, 2021, the three percent of Compensation automatic enrollment rate is increased to four percent of Compensation. Effective for Eligible Employees hired or rehired on or after

January 1, 2022, the amount of the Pay Reduction Agreement is increased to six percent of Compensation.

However, the Before-Tax Contribution rate for a nonunion Employee who was eligible to participate in the Tegrant Investment and Retirement Plan on December 31, 2012, and who becomes an Eligible Employee under this Plan as of January 1, 2013, shall be set automatically at the rate required (if any) to ensure that the sum of his or her Before-Tax Contributions and Roth Contributions on January 1, 2013 are equal to three percent of Compensation (subject to such Employee's affirmative election to contribute in a different manner or to decline participation).

(2) **Notice.** The Committee shall provide Eligible Employees with notice of the automatic contribution feature at least 30 days in advance of the first payroll deduction under section 5.7(b)(1).

(c) Suspension of Contributions. A Pay Reduction Agreement may be canceled by a Participant at any time during the Plan Year by giving notice to the Committee at a time and in a manner specified by the Committee. This notice shall be effective, and the Pay Reduction Agreement shall be cancelled, as soon as administratively practicable following the receipt of such notice by the Committee. Any Participant who elects to suspend contributions pursuant to this section 5.7(c) shall be eligible to resume contributions as of any later date by filing with the Committee a new Pay Reduction Agreement, which shall be effective as soon as administratively practicable following its receipt by the Committee.

(d) Change in Contributions. A Pay Reduction Agreement may be amended by a Participant to increase or decrease the percentage amount of the Participant's Before-Tax Contributions, Roth Contributions, or After-Tax Contributions by giving notice to the Committee at a time and in a manner specified by the Committee. This notice shall be effective as soon as administratively practicable following the receipt of such notice by the Committee.

5.8 Limitations on Contributions

(a) Limit on Before-Tax Contributions. No Employer shall make Before-Tax Contributions (which, for this purpose, shall also include Roth Contributions) for any calendar year for any Member which, when aggregated with any previous deferrals by the Member pursuant to any other cash or deferred arrangement maintained by the Company or an Affiliate under Code section 401(k), are in excess of $18,000 (or such greater amount as may be determined under Code section 402(g)). To the extent that any Before-Tax Contributions are made in contravention of the preceding sentence, such excess amounts (plus earnings or minus losses, determined in the manner described below), shall be refunded to the Member as soon as administratively practicable after the end of the Plan Year, but no later than April 15 of the Plan Year following the Plan Year in which the excess deferrals occurred.

In addition, if the limitation in Code section 402(g) would be exceeded by the total of the Member's Before-Tax Contributions under this Plan and deferrals for the same calendar year made under any other cash or deferred arrangement maintained by an employer other than an Affiliate, the excess amount designated by the Member (or by the Employer on the Member's behalf) shall be refunded to the Member no later than April 15 following such calendar year. The amount of excess deferrals refunded by the Plan shall not exceed the Member's Before-Tax Contributions for the calendar year.

Refunds of excess deferrals under this section 5.8(a) shall be taken first from the Member's Roth Contributions Account, and then from the Member's Before-Tax Contributions Account (but only to the extent that the excess deferrals for such Plan Year exceed the amount of the Member's Roth Contributions for such Plan Year).

Any refund required under this section 5.8(a) shall be adjusted for attributable earnings and losses, as determined under section 6.5, up to the end of the Plan Year for which the deferrals were made (and there shall be no adjustment for earnings and losses for any period after the end of the Plan Year for which the deferrals were made).

(b) Actual Deferral Percentage Test. The actual deferral percentage for each Plan Year of the group of Highly Compensated Employees eligible to participate in the Plan shall not exceed the greater of—

(1) one and one-quarter times the actual deferral percentage of the group of Nonhighly Compensated Employees for such Plan Year; or

(2) the lesser of (A) two times the actual deferral percentage of the group of Nonhighly Compensated Employees for such Plan Year or (B) two percentage points plus the actual deferral percentage of the group of Nonhighly Compensated Employees for such Plan Year.

The actual deferral percentage of each group of Eligible Employees for any Plan Year shall be the average of the ratios (calculated separately for each Eligible Employee in each group) of (i) the Before-Tax Contributions and Roth Contributions made on behalf of each Eligible Employee for such Plan Year to (ii) such Eligible Employee's Compensation for the Plan Year. In the discretion of the Committee, the Compensation used for this purpose may be limited to Compensation for the portion of the Plan Year during which the Eligible Employee satisfied the eligibility requirements of section 4.1(a), provided that this alternative is applied uniformly to all Eligible Employees for the Plan Year. Before-Tax Contributions and Roth Contributions shall be taken into account for purposes of this test only if they are allocated to the Eligible Employee's Account as of a date within the Plan Year and are paid to the Trust Fund within 12 months after the end of the Plan Year.

To the extent necessary to conform to the limitation of this section 5.8(b), the Committee shall reduce Before-Tax Contributions and Roth Contributions made on behalf of the Highly Compensated Employees consistent with regulations issued under Code section 401(k). Such reduction shall be effected by reducing contributions made on behalf of Highly Compensated Employees in the order of the dollar amount of such contributions, beginning with the Highly Compensated Employees who elected the largest dollar amount of such contributions.

Excess contributions determined under this section 5.8(b) shall be refunded to the Member with the income thereon and without regard to any other provision in the Plan. Refunds of excess contributions under this section 5.8(b) shall be taken first from the Member’s Roth Contributions Account, and then from the Member’s Before-Tax Contributions Account (but only to the extent that the excess contributions for the Plan Year exceed the amount of the Member’s Roth Contributions for such Plan Year).

The income that is refunded under this section 5.8(b) shall be calculated in accordance with section 6.5 and applicable Treasury regulations or other regulatory guidance. However, a refund under this section shall not include income attributable to any period after the end of the Plan Year for which the contributions were made.

A refund shall occur within the first two and one-half months after such Plan Year, or as soon as practicable thereafter, but in no event later than 12 months after the end of the Plan Year. A refund of excess contributions under this section 5.8(b) shall be coordinated with any refund required under section 5.8(a). Any Matching Contributions made with respect to Before-Tax Contributions or Roth Contributions that are refunded pursuant to this section 5.8(b) shall be treated as a forfeiture (and shall be used to reduce future Matching Contributions due under section 5.3 from the Employer of the affected Member).

Effective for contributions made to the Plan on and after January 1, 2022, the plan has been amended to provide safe harbor matching contributions to the nonunion portion of the Plan. No actual deferral percentage test shall be required for the nonunion portion of the Plan beginning with the 2022 Plan Year.

(c) Actual Contribution Percentage Test. The actual contribution percentage for each Plan Year of the group of Highly Compensated Employees eligible to participate in the Plan shall not exceed the greater of—

(1) one and one-quarter times the actual contribution percentage of the group of Nonhighly Compensated Employees for such Plan Year; or

(2) the lesser of (A) two times the actual contribution percentage of the group of Nonhighly Compensated Employees for such Plan Year or (B) two percentage points plus the actual contribution percentage of the group of Nonhighly Compensated Employees for such Plan Year.

The actual contribution percentage of each group of Eligible Employees for any Plan Year shall be the average of the ratios (calculated separately for each Eligible Employee in each group) of (i) the After-Tax and Matching Contributions made on behalf of each Eligible Employee for such Plan Year to (ii) the Eligible Employee's Compensation for the Plan Year. In the discretion of the Committee, the Compensation used for this purpose may be limited to Compensation for the portion of the Plan Year during which the Employee satisfied the participation requirements of section 4.1(a), provided that this alternative is applied uniformly to all Eligible Employees for the Plan Year. After-Tax and Matching Contributions shall be taken into account for purposes of this test only if they are allocated to the Eligible Employee's Account as of a date within the Plan Year, are paid to the Trust Fund within 12 months after the end of the Plan Year, and (regarding Matching Contributions only) are made on account of the Eligible Employee's Before-Tax Contributions (or Roth Contributions) for the Plan Year.

To the extent necessary to conform to the limitation described in this section 5.8(c), the Committee shall reduce After-Tax and Matching Contributions made on behalf of the Highly Compensated Employees in a manner similar to the method described in section 5.8(b). Any After-Tax and Matching Contributions so reduced (including allocable income) shall be refunded to the Member. The income on After-Tax and Matching Contributions that are refunded under this section 5.8(c) shall be calculated in accordance with section 6.5 and applicable Treasury regulations or other regulatory guidance. However, a refund under this section shall not include income attributable to any period after the Plan Year for which the contributions were made.

Any refund made pursuant to this section 5.8(c) shall be paid without regard to any other provision in the Plan. Each refund shall occur within the first two and one-half months after the Plan Year, or as soon as practicable after that date, but in no event later than 12 months after the end of the Plan Year. Any refund of After-Tax and Matching Contributions shall be coordinated with any forfeiture required under section 5.8(b) and shall not discriminate in favor of those Highly Compensated Employees receiving such distributions.

Effective for contributions made to the Plan on and after January 1, 2022, the plan has been amended to provide safe harbor matching contributions to the nonunion portion of the Plan. No actual contribution percentage test shall be required for the nonunion portion of the Plan beginning with the 2022 Plan Year.

(d) Special Testing Provisions.

(1) For purposes of section 5.8(b), the actual deferral percentage of a Highly Compensated Employee who is eligible for Before-Tax Contributions or Roth Contributions under two or more plans described in Code section 401(k) that are maintained by the Company or an Affiliate shall be determined as if all such contributions were made under a single Plan, except as otherwise provided in regulations under Code section 401(k).

For purposes of section 5.8(c), the actual contribution percentage of a Highly Compensated Employee who is eligible to participate in two or more plans providing for After-Tax or Matching Contributions (within the meaning of Code section 401(m)) that are maintained by the Company or an Affiliate shall be determined as if all these contributions are made under a single plan, except as otherwise provided in regulations under Code section 401(m).

(2) For purposes of this section 5.8, the actual deferral percentages and actual contribution percentages shall be determined by considering all applicable contributions made under any other plans that are aggregated with this Plan for purposes of Code sections 401(a)(4) and 410(b). If other plans are permissively aggregated with this Plan for purposes of Code section 401(k) or 401(m), the aggregated plans must satisfy Code sections 401(a)(4) and 410(b) as if they constituted a single plan.

(3) In the discretion of the Committee, the actual contribution percentage for a Participant may be determined by taking into account all or part of his or her Before-Tax Contributions and Roth Contributions, provided that the requirements in applicable Treasury regulations are satisfied.

(4) In addition to the foregoing, if the Committee determines during the course of the Plan Year that the actual deferral percentage test in section 5.8(b) or the actual contribution percentage test in section 5.8(c) might not be met for the Plan Year, the Committee may reduce, at any time, the maximum percentage of Compensation at which Highly Compensated Employees may elect Before-Tax Contributions, Roth Contributions, and/or After-Tax Contributions to the percentage deemed necessary to satisfy the appropriate test for the Plan Year. Any such limitation shall be treated as an employer-provided limit with respect to these Highly Compensated Employees for purposes of electing catch-up contributions pursuant to section 5.1(c).

(5) The portion of the Plan that benefits Eligible Employees who are included in collective bargaining units shall be tested separately from the portion of the Plan that benefits Eligible Employees who are not covered by collective bargaining units. In addition, when testing the portion of the Plan that benefits Eligible Employees who are members of collective bargaining units, (A) this portion of the Plan shall not be subject to the average contribution percentage test described in section 5.8(c) and (B) the Committee may test each bargaining unit separately under section 5.8(b) or may combine two or more bargaining units into a single test (provided that any such combinations are reasonable and reasonably consistent from year to year).

5.9 Limitation on Annual Additions

(a) **General Limitation.** Notwithstanding any other provision of this Article 4, the Annual Additions (as defined in section 5.9(c)) with respect to a Member for a Plan Year shall not exceed the lesser of—

(1) $53,000, or any higher annual amount permitted under Code section 415(d); or

(2) 100 percent of the Member’s Compensation for the Plan Year.

(b) Reduction in Annual Additions. If in any Plan Year a Member’s Annual Additions exceed the limitation determined under section 5.9(a), such excess shall not be allocated to the Member’s accounts in any other defined contribution plan. Instead, the excess shall be taken first from the Member’s subaccounts under this Plan as follows:

(1) to the extent allowed by regulations, the Member’s After-Tax Contributions, or any part thereof, shall be refunded to the Member, along with any earnings attributable thereto;

(2) to the extent allowed by regulations, the Member’s Before-Tax Contributions, or any part thereof, shall be refunded to the Member, along with any earnings attributable thereto;

(3) to the extent allowed by regulations, the Member’s Roth Contributions, or any part thereof, shall be refunded to the Member, along with any earnings attributable thereto; and

(4) the Matching Contributions that would have been allocated to the Member’s Account but for this section 5.9 shall be placed in a suspense account.

Any amount held in a suspense account shall be used to reduce contributions by the Employer for the next Plan Year. Such suspense account shall share in the gains and losses of the Trust Fund on the same basis as other Accounts.

Effective for contributions made to the Plan on and after January 1, 2022, the plan has been amended to provide safe harbor matching contributions to the nonunion portion of the Plan. No actual contribution percentage test shall be required beginning with the 2022 Plan Year.

(c) Annual Additions. For purposes of this section, Annual Additions mean the sum, credited to a Member's Account under this Plan and the Member's accounts under all other qualified defined contribution plans maintained by the Company or an Affiliate, of—

(1) Company and Affiliate contributions;

(2) forfeitures;

(3) Employee contributions;

(4) amounts allocated to an individual medical account (as defined in Code section 415(l)) that is part of a defined benefit plan maintained by the Company or an Affiliate; and

(5) amounts (derived from contributions paid after December 31, 1985, in taxable years ending after that date) attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code section 419A(d)(3)) under a welfare benefit fund (as defined in Code section 419(e)) maintained by the Company or an Affiliate.

However, any amount described in section 5.9(c)(4) or (5) shall not be counted as an Annual Addition in applying the rule in Code section 415(c)(1)(B) and section 5.9(a)(2) of the Plan (limiting Annual Additions to 100 percent of Compensation). In addition, restored forfeitures shall not be treated as Annual Additions.

(d) Definition of Affiliate. In applying the limitations on contributions under this section, an employer shall be treated as an Affiliate of the Company if, in determining common control under Code section 414(b) and (c), the phrase "more than 50 percent" were substituted for the phrase "at least 80 percent" each place the latter appears in Code section 1563 and in the regulations under Code section 414(c).

(e) IRS Regulations. This section 5.9 shall be interpreted and applied consistently with the final regulations under Code section 415 that were adopted by the Internal Revenue Service on April 5, 2007 (and all subsequent modifications to such regulations). These regulations are hereby incorporated by reference.

Article 6. Investment Funds

6.1 Investment of Contributions

(a) Election of Investments. Each Participant shall elect to direct the investment of all Plan contributions made on his or her behalf into any one or more of the Funds in increments of 1 percent (except that the amount directed into the Sonoco Stock Fund may not exceed 50 percent of such contributions). The Participant shall make this election upon becoming a Participant by giving notice in a manner specified by the Committee.

(b) Default Election. In the event that a Participant fails to make the election described in section 6.1(a) upon first becoming a Participant, his or her Account shall be invested in the Target Date Retirement Fund applicable to the Participant (or similar Fund selected by the Investment Council in its sole discretion). The Fund designated by the Investment Council under this section 6.1(b) is intended to be a qualified default investment arrangement under ERISA section 404(c)(5) (and related regulations). As such, the Committee shall provide a notice to Participants describing—

(1) the circumstances under which contributions will be invested in the default Fund selected by the Investment Council under this section 6.1(b);

(2) the investment objectives, risk and return characteristics, and fees and expenses related to the default Fund selected by the Investment Council under this section 6.1(b);

(3) the right of Participants to self-direct the investment of their contributions into the other Funds; and

(4) where Participants can obtain explanations of the other Funds.

This notice shall be provided to each Participant at least 30 days in advance of the date of the first investment that is made on the Participant's under this section 6.1(b) and at least 30 days in advance of each subsequent Plan Year.

(c) Changes in Elections. Each Participant may change his or her investment election for future contributions at any time (in 1 percent increments) by giving notice of such change to the Committee at a time and in a manner specified by the Committee (subject to the limitation described in section 6.1(a) that no more than 50 percent of future contributions may be directed into the Sonoco Stock Fund). This change shall be effective as soon as administratively practicable following the receipt of such notice.

6.2 Investment Transfers

Each Member may elect to transfer the assets in any Fund to any one or more of the other Funds in 1 percent increments at any time by giving notice of such transfer to the Committee at a time and in a manner specified by the Committee. This transfer shall be effective as soon as administratively practicable following the receipt of such notice.

6.3 Sonoco Stock Fund

(a) Dividends. Each Member (or Beneficiary) who has a portion of his or her Account invested in Company Stock under the Sonoco Stock Fund may elect to have any cash dividends attributable to such investments—

(1) retained in the Sonoco Stock Fund and reinvested in Company Stock;

(2) paid directly in cash to such Member (or Beneficiary); or

(3) paid to the Trustee and distributed by the Trustee in cash to such Member (or Beneficiary) no later than 90 days after the end of the Plan Year in which such dividends are paid to the Trustee.

Any election by a Member or Beneficiary under this section 6.3(a) shall be made at a time and manner prescribed by the Committee, but any procedures prescribed by the Committee shall meet regulatory guidance issued under Code section 404(k) and provide each Member and Beneficiary a reasonable opportunity to (A) make an election before a dividend is paid or distributed to the Member or Beneficiary and (B) change his or her election at least annually. Any dividends that are reinvested in Company Stock shall be 100% vested at all times.

(b) Voting Rights. Each Member and Beneficiary may, on all matters, direct the Trustee how to vote shares of Company Stock under the Sonoco Stock Fund that are allocated to his or her Account. Full shares of Company Stock shall be voted by the Trustee in accordance with any such directions. Fractional shares shall be combined and voted by the Trustee in a manner that reasonably reflects the voting directions of the Members and Beneficiaries whose Accounts are credited with such fractional shares. The Trustee shall vote all shares of Company Stock for which it does not receive timely voting directions in the same proportion as those shares for which timely voting directions were received.

For voting purposes, each Member and Beneficiary shall be a named fiduciary with respect to the Company Stock that is allocated to his or her Account. Voting directions from Members and Beneficiaries shall be made at a time and in a manner prescribed by the Committee, and any procedures established by the Committee for this purpose shall require the Trustee to hold voting directions from Members and Beneficiaries in strict confidence. The Committee shall provide the Trustee and each Member and Beneficiary with proxy materials and other information that is identical to that provided to other shareholders.

(c) Tender Offers. In the event of a tender offer to acquire Company Stock, the Trustee will provide to each Member and Beneficiary who has a portion of their Accounts invested in the Sonoco Stock Fund with—

(1) information and material related to such offer; and

(2) a form on which each such Member and Beneficiary can confidentially instruct the Trustee whether to tender the Company Stock allocated to his or her Account.

For Company Stock allocated to Accounts for which no timely tender instructions are received by Members or Beneficiaries, the Trustee shall act in accordance with the directions given with respect to the majority of the shares of Company Stock for which timely directions were provided to the Trustee by Members and Beneficiaries.

For purposes of any tender offer, each Member and Beneficiary shall be a named fiduciary with respect to the Company Stock that is allocated to his or her Account.

(d) Qualifying Employer Securities. The Sonoco Stock Fund shall be invested in qualifying employer securities.

6.4 Plan Expenses

(a) Investment Fees. Except to the extent paid by an Employer in its sole discretion, expenses attributable to the management and investment of each of the Funds shall be charged against the respective Fund.

(b) Administrative Expenses. Except to the extent paid by an Employer in its sole discretion, or except to the extent that fees for specific services (e.g., distributions or investment services) are assessed against the Account of specific Members (as determined by the Committee in its sole discretion), all fees paid to the Trustee for trustee services, all fees paid for recordkeeping services performed by the Trustee or by any other third-party service provider, and any other costs or expenses described in section 11.2 shall be paid out of Trust Fund assets and charged against each Member's Account in the same proportion as the Member's Account balance bears to the total balance of all Accounts.

6.5 Valuation; Allocation of Investment Earnings and Losses

Following the end of each Valuation Date, the Trustee shall value all assets of the Trust Fund, allocate net gains or losses, and process additions to and withdrawals from Accounts in the following manner:

(a) The Trustee shall first compute the fair market value of securities and any other assets comprising each Fund. Each Account shall be adjusted each Valuation Date by applying the closing market price of the Fund on the current Valuation Date to the share/unit balance of the Fund as of the close of business on the current Valuation Date.

(b) The Trustee shall then account for any request for additions or withdrawals made to or from a specific designated Fund by any Member, including allocations of contributions. In completing the valuation procedure described above, such adjustments in the amount credited to such Accounts shall be made on the Valuation Date to which the investment activity relates. Contributions received by the Trustee pursuant to this Plan shall not be taken into account until the Valuation Date coinciding with or next following the date when the contribution was both actually paid to the Trustee and allocated among the Accounts of Members.

It is intended that this section 6.5 shall operate to distribute among each Account in the Trust Fund all income of the Trust Fund and changes in the value of the assets of the Trust Fund.

6.6 Compliance with ERISA Section 404(c)

The Plan is intended to constitute a plan that satisfies the requirements of ERISA section 404(c) and, as such, the Plan fiduciaries shall be relieved of liability for losses that may result from a Member's or Beneficiary's investment instructions. To the extent that any one Fund does not satisfy the requirements of ERISA section 404(c), the protections thereunder shall continue to apply to all other Funds which otherwise satisfy these requirements. The Committee and Investment Council shall provide all information and take all other steps they deem necessary and appropriate to comply with the requirements of ERISA section 404(c).

Article 7. Vesting

7.1 Immediate Vesting in Certain Contributions

Each Member shall have a fully vested interest at all times in his or her After-Tax Contributions Account, After-Tax Rollover Contributions Account, Before-Tax Contributions Account, Paysop Account, Rollover Contributions Account, Roth Contributions Account, Roth Rollover Contributions Account, Tuscarora Money Purchase Pension Plan Account, PPI 401(k) Account, PPI Profit Sharing Account, Peninsula 401(k) Account, Clear Lam 401(k) Account, Conitex 401(k) Account, Corenso 401(k) Account, TEQ 401(k) Account, and Sebro 401(k) Account

7.2 Vesting Schedules for Matching Contributions

(a) **General Rule.** Except as otherwise provided in section 7.2(b), a Member shall have at all times a Vested Percentage in his or her Matching Contributions Account equal to 100 percent.

(b) **Vested Percentage in Matching Contributions Account for Certain Union Groups.**

(1) **Menasha.** A Member who is covered by the collective bargaining agreement in effect between the Employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 273, covering union Employees at the USPMC - Menasha location will have the Vested Percentage in his or her Matching Contributions Account determined in accordance with the following schedule:

Years of Vesting Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

Vesting Service under this section 7.2(b)(1) shall be determined under the elapsed time vesting provisions described in section 3.1.

(2) **Orville.** A Member who is covered by the collective bargaining agreement in effect between the Employer and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1-150, covering union Employees at the Orville location, will have the Vested Percentage in his or her Matching Contributions Account determined in accordance with the following schedule:

Years of Vesting Service	Vested Percentage
Fewer than 1	0%
1 but fewer than 2	25%
2 but fewer than 3	50%
3 but fewer than 4	75%
4 or more	100%

However, any Participant who is subject to this section 7.2(b)(2) shall have a Vested Percentage of 100% if he or she experiences a Separation from Service after November 15, 2009. Years of Vesting Service under this section 7.2(b)(2) shall be determined under the elapsed time vesting provisions described in section 3.1.

7.3 Vested Percentage in Retirement Contributions.
A Member's Vested Percentage in his or her Retirement Contributions Account shall be determined in accordance with the following schedule:

Years of Vesting Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

Vesting Service under this section 7.3 shall be determined under the elapsed time vesting provisions described in section 3.1.

7.4 Vested Percentage in Collectively-Bargained Nonelective Employer Contributions.
(a) Tegrant Union Employees. Each Member of the unions listed below shall at all times have a Vested Percentage in his or her Collectively-Bargained Nonelective Employer Contributions Account equal to 100 percent:

(1) the International Union of Operating Engineers, Local #465, representing union Employees at Tegrant Corporation's Butner, NC location;

(2) the International Association of Machinists and Aerospace Workers Union, Local #1546, representing union maintenance Employees at Tegrant Corporation's Hayward, CA location;

(3) the Teamsters Union, IBT Local #853, representing union production Employees at Tegrant Corporation's Hayward, CA location; and

(4) the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local #851, representing union Employees at Tegrant Corporation's Pardeeville, WI location.

(b) Other Eligible Union Groups. Except as provided in section 7.4(a), a Member who is covered by a collective bargaining agreement that provides for Collectively-Bargained Nonelective Employer Contributions, as specified in Appendix B, shall have the Vested Percentage in his or her Collectively-Bargained Nonelective Employer Contributions Account determined as follows:

Years of Vesting Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

(c) Elapsed Time Vesting Service. Vesting Service under section 7.4(b) shall be determined under the elapsed time vesting provisions described in section 3.1 for Eligible Employees who are covered by a collective bargaining agreement in effect between the Employer and one of the following unions:

(1) the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1517, representing union Employees at the Company's USPMC - DePere location;

(2) the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 273, representing union Employees at the USPMC - Menasha location; or

(d) Hours-Based Vesting Service. Vesting Service under section 7.4(b) shall be determined under the hours-based vesting provisions described in section 3.2 for Eligible Employees who are covered by a collective bargaining agreement in effect between the Employer and one of the following unions:

(1) the Chicago & Midwest Regional Joint Board Affiliate of Workers United, SEIU, representing union Employees at the Company's Edinburgh location; or

(2) the Graphic Communications International Union Local 508M, representing union Employees at the Company's Franklin location.

7.5 Accelerated Vesting.
Notwithstanding section 7.2, 7.3, or 7.4, and except as provided in section 7.5(b) below, a Member shall have a Vested Percentage equal to 100 percent if—

(a) the Member incurs a Separation from Service (as defined in section 3.1(e)(2)) or reaches a Termination Date (as defined in section 3.2(e)(3)) after attaining age 55;

(b) the Member dies after reaching age 55 while performing qualified military service (as defined in Code section 414(u)); or

(c) the Member incurs a Separation from Service due to the divesture of the location in which Member is employed (e.g., divestiture of Canton location effective February 15, 2015).

7.6 Forfeitures
If a Member's Matching Contributions Account, Retirement Contributions Account, and/or Collectively-Bargained Nonelective Employer Contributions Account are not yet fully vested upon the Member's Separation from Service, any such nonvested portion shall be forfeited as of the earlier of—

(a) the date the Member receives a complete distribution of his or her Vested Balance; or

(b) the date on which the Member incurs five consecutive One-Year Periods of Separation (as defined in section 3.1(e)(1)) or five consecutive One-Year Breaks in Service (as defined in section 3.2(e)(2)), as applicable.

These forfeitures shall be used to defray reasonable administrative costs, restore previous forfeitures to Accounts of reemployed Members under section 7.7(a), and reduce future Matching Contributions, Retirement Contributions, and/or Collectively-Bargained Nonelective Employer Contributions due under the Plan from the Employer of the affected Member, as determined by the Committee in its sole and absolute discretion.

Notwithstanding the foregoing, Company Stock from the Sonoco Stock Fund held in a Participant's Account shall be forfeited only after all other assets are forfeited. If more than one class of Company Stock from the Sonoco Stock Fund is held in a Participant's Account, the Plan must forfeit the same proportion of each class.

7.7 Treatment of Forfeitable Amounts

(a) General Rule. Except as otherwise provide in section 7.7(b), if a Member incurs a Separation from Service (as defined in section 3.1(e)(2)) or reaches a Termination Date (as defined in section 3.2(e)(3)), as applicable, before his or her Vested Percentage is 100 percent, the portion of the Member's Account that was forfeited under section 7.6 shall be restored to the Member only if he or she is reemployed by the Company or an Affiliate before incurring five consecutive One-Year Periods of Separation (as defined in section 3.1(e)(1)) or five consecutive One-Year Breaks in Service (as defined in section 3.2(e)(2)), as applicable.

(b) Orville Collective-Bargaining Unit. If a Member described in section 7.2(b)(2) receives a distribution upon a Separation from Service that is less than the value of the Member's Account, and such Member is later reemployed by the Company or an Affiliate prior to incurring five consecutive One-Year Periods of Separation (as defined in section 3.1(e)(1)), the portion of such Member's Matching Contributions Account that was forfeited under section 7.6 shall be restored only if the Member repays to the Plan the full amount of the amount distributed from his or her Matching Contributions Account within five years after the date of the Member's reemployment.

A Member's repayment under this section 7.7(b) shall be credited to the Member's Account as soon as administratively practicable following the date of such repayment. Any such repayment shall be invested in the Funds according to the Member's current election of investments pursuant to Article 6.

(c) Source of Restored Forfeitures. Forfeitures that are restored under this section 7.7 shall be restored first from current forfeitures with respect to Accounts of other Members. To the extent such other forfeitures are insufficient, an additional Employer contribution shall be made.

7.8 Transfer of Employment.

If a Member transfers from a position of employment in which the Matching Contributions and/or Collectively-Bargained Nonelective Employer Contributions are subject to a vesting schedule under this Article 7 into a position of employment in which any such future contributions will either vest immediately under section 7.2(a) or be subject to a different vesting schedule under section 7.2(b) or 7.4, the Matching Contributions and/or Collectively-Bargained Nonelective Employer Contributions made prior to any such transfer shall continue to be subject to the vesting schedule that applied to such contributions before the date of the Member's transfer.

Article 8. Distributions

8.1 Entitlement to Distribution upon Death of Member

(a) Death of Member. If a Member dies before the complete distribution of the Vested Balance of his or her Account, the Beneficiary designated by the Member shall be entitled to receive the remaining portion of the Vested Balance of such Account in the form described in section 8.3(b), as of the Valuation Date provided in section 8.4(b), and in compliance with the rules in section 8.7.

(b) Designation of Beneficiary.

(1) **General Rule.** Each Member may designate one or more persons as Beneficiary to receive the remaining portion of the Vested Balance of the Member's Account in the event of his or her death. Each such designation shall be effective only when filed in writing at a time and in a manner specified by the Committee, and shall revoke all prior designations, subject to the provisions of section 8.1(b)(2).

(2) **Rule for Surviving Spouses.** A Spouse to whom the Member was married on the date of his or her death shall be the Member's sole Beneficiary unless, prior to the Member's death, one or more other persons have been named pursuant to a qualified alternate designation (as defined in section 8.1(b)(3)) made and filed prior to the Member's death in accordance with procedures prescribed by the Committee. The consent of a Member's Spouse shall not be required where—

(A) the Committee determines that the required consent cannot be obtained because there is no Spouse or the Member's Spouse cannot be located;

(B) the Committee determines that the Member is legally separated;

(C) the Committee determines that the Member has been abandoned within the meaning of local law and there is a court order to that effect; or

(D) there exists any other circumstance (as determined by the Committee) prescribed by law as an exception to the consent requirement.

(3) **Qualified Alternate Designation.** A designation shall be a qualified alternate designation only if—

(A) the Member, in a signed written instrument, designates by name one or more persons to be Beneficiary in lieu of, or along with, the Member's surviving Spouse;

(B) the Member’s surviving Spouse (if any), determined at the time of the Member’s death, has consented in writing to the naming of such Beneficiary and has acknowledged the effect of such consent; and

(C) such consent is witnessed by a notary public or a Plan representative.

A qualified alternate designation may not be changed without spousal consent. Any spousal consent to a qualified alternate designation shall be irrevocable.

(4) **Default Beneficiary.** If no person is otherwise designated under this subsection, if a designation is revoked in whole or in part, or if no designated Beneficiary survives the Member, benefits payable under the Plan shall be paid to the Member’s surviving Spouse, or if there is no surviving Spouse, to the Member’s estate.

If any payment is made under the Plan to any Beneficiary in reasonable reliance on (A) a written attestation by the Member of unmarried status, (B) a spousal consent that on its face conformed to the requirements set forth above, or (C) evidence establishing to the Committee’s satisfaction that a Member’s Spouse could not be located at the time of a Beneficiary designation, the Plan’s liability for death benefits shall be satisfied to the extent of such payment, and the Plan shall have no liability to any Spouse to such extent.

(5) **Death of Beneficiary.** If a Beneficiary who is entitled to receive payments from the Trust Fund dies before receiving all payments due, any remaining benefit shall be paid to the Beneficiary’s estate in a lump sum.

8.2 Distribution upon Separation from Service for Reasons Other Than Death

Upon a Member’s Separation from Service (as defined in section 3.1(e)(2)) for reasons other than death, such Member shall be entitled to the Vested Balance of his or her Account in the form described in section 8.3(a) (or 8.5, if applicable), and as of the Valuation Date provided in section 8.4(a) (or 8.5, if applicable).

8.3 Form of Benefit Payments

The forms of payment described in this section 8.3 are subject to the restrictions contained in sections 8.4(c) and 8.6.

(a) Distribution upon Separation from Service. Except as otherwise provided in section 8.5 (regarding special distribution provisions that apply to the Tuscarora Money Purchase Pension Plan Account), a Member who is entitled to a distribution under section 8.2 may elect to receive his or her Account—

(1) in a lump sum payment;

(2) in up to five substantially equal annual installments (as elected by the Member or the Beneficiary), with each installment payment equal to the Vested Balance of the Account as of the payment date divided by the remaining number of payments;

(3) prior to February 1, 2021, in quarterly or annual installments equal to a stated dollar amount or stated number of installment payments from the Vested Balance of the Account (as specified by the Member or Beneficiary), provided that each such payment is at least $1,000. On and after February 1, 2021, in monthly, quarterly, or annual installment payments from the Vested Balance of the Account (as specified by the Member or Beneficiary); or

(4) in partial withdrawals elected on an as-needed basis in an amount selected by the Member or Beneficiary, provided that each such withdrawal (except the final one) must equal or exceed $1,000.

A Member or Beneficiary who elects initially to receive distributions under section 8.3(a)(2), (3), or (4) may elect to receive the remaining portion of the Vested Balance of his or her Account at any time in a single lump sum payment. In addition, a Member who has elected installment payments under section 8.3(a)(2) or (3) may also elect one or more partial withdrawals under section 87.3(a)(4) during the installment distribution period.

(b) Distribution upon Death. Except as otherwise provided in section 8.5 (regarding special distribution provisions that apply to the Tuscarora Money Purchase Pension Plan Account), if distribution of a Member’s Account has commenced to the Member under a payment form described in section 8.3(a)(2), (3), or (4), the Beneficiary may either continue receiving those payments or elect any other payment option available under section 8.3(a). Except as otherwise provided in section 8.5, if distribution of a Member’s Account has not already commenced to the Member, a Beneficiary entitled to payment under section 8.1(a) may elect to receive distribution of the Vested Balance of the Member’s Account in any of the payment forms permitted under section 8.3(a).

(c) Medium of Payment. Distributions under the Plan shall generally be made in cash, except that a Member or Beneficiary may elect to receive all or a portion of the Account that is invested in the Sonoco Stock Fund in the form of Company Stock. (To the extent that a distribution of Company Stock results in a fractional share, the value of any such fractional share shall be distributed in cash.)

(d) Investment Gains and Losses. Amounts payable hereunder shall continue to accrue earnings and losses under section 6.5 pending such payment.

8.4 Time of Benefit Payments

(a) General Rule. Except as otherwise provided in section 8.4(c) (regarding the distribution of small balances) or section 8.5 (regarding special distribution provisions that apply to the Tuscarora Money Purchase Pension Plan Account), distribution to a Member may commence as of the earliest practicable Valuation Date following the Member's Separation from Service (as defined in section 3.1(e)(2)), or any later Valuation Date (but not later than the Member's latest allowable commencement date under section 8.7), as the Member may request. A Member requesting a distribution must file such request at a time and in the manner specified by the Committee.

(b) Distribution Upon Death. Except as otherwise provided in section 8.4(c) (regarding the distribution of small balances), a distribution to a Beneficiary under section 8.1(a) may be made as of the earliest practicable Valuation Date following the Member's death, or any later Valuation Date (but no later than the Beneficiary's latest allowable commencement date under section 8.7), as the Beneficiary may request. A Beneficiary requesting a distribution must file such request at the time and in the manner specified by the Committee.

(c) Small Amounts. Notwithstanding any other provision in this Article 8, if a Member or Beneficiary is entitled to a distribution under this Article 8, and the Vested Balance of the Member's Account as of the first Valuation Date coinciding with or next following the Member's Separation from Service (as defined in section 3.1(e)(2)) or death is not greater than $5,000, distribution shall be made in a single sum payment as soon as practicable following such Valuation Date.

If a Member becomes entitled to an automatic cashout under this section 8.4(c) in excess of $1,000 (effective March 15, 2021, the $1,000 threshold has been eliminated), and the Member does not elect a direct distribution or a qualified rollover, the Committee shall arrange for a rollover distribution to an individual retirement plan in the name of the Member. If no such plan exists at the time of the rollover distribution, the Committee shall establish an individual retirement plan for the benefit of the Member. (Prior to March 15, 2021, account balances of $1,000 or less were distributed directly to the Member or Beneficiary, as applicable).

(d) Sonoco Stock Fund. Notwithstanding anything to the contrary in this Plan, Participants and their Beneficiaries (as applicable) are entitled to elect to commence distribution of the Company Stock from the Sonoco Stock Fund in their Accounts within one year after Separating from Service due to attaining normal retirement age, dying, or becoming disabled. If a Participant Separates from Service for a reason other than attainment of normal retirement age, death, or disability, the Participant or his or her Beneficiaries are entitled to elect to commence distribution of the Company Stock from the Sonoco Stock Fund in their Accounts no later than one year after the close of the fifth Plan Year after Separation from Service. Any such distributions must comply with the requirements of Section 8.7.

8.5 Distribution of Tuscarora Money Purchase Pension Plan Account Balances

This section 8.5 applies to each Member who has a balance in the Tuscarora Money Purchase Pension Plan Account.

(a) Distribution to the Member. If Member who has a balance in the Tuscarora Money Purchase Pension Plan Account becomes entitled to a distribution under section 8.2, the amount credited to such account shall be distributed to the Member in accordance with this section 8.5(a).

(1) **Time of Payment.** The time of payment of the Member's Tuscarora Money Purchase Pension Plan Account shall be determined under section 8.4(a) (or section 8.4(c), if applicable).

(2) **Normal Form of Payment.**

(A) **Unmarried Members.** Except as provided in sections 8.4(c) and 8.5(a)(3), the Tuscarora Money Purchase Pension Plan Account belonging to a Member who is not married on his or her Annuity Starting Date shall be distributed in the form of a Single Life Annuity.

(B) **Married Members.** Except as provided in sections 8.4(c) and 8.5(a)(3), the Tuscarora Money Purchase Pension Plan Account belonging to a Member who is married on his or her Annuity Starting Date shall be distributed in the form of a Qualified Joint and Survivor Annuity.

(3) **Waiver Procedures.** In lieu of the normal forms of payment specified in section 8.5(a)(2), a Member may elect to receive his or her Tuscarora Money Purchase Pension Plan Account in one of the optional payment forms specified in section 8.5(a)(4). However, any such waiver by a Member who is married on his or her Annuity Starting Date shall be subject to the waiver procedures described in this section 8.5(a)(3).

(A) **General Rule.** A married Member may elect, in a manner prescribed by the Committee, to waive the Qualified Joint and Survivor Annuity and to elect instead to receive his or her Tuscarora Money Purchase Pension Plan Account in accordance with an optional form of payment described in section 8.5(a)(4). Except as otherwise provided in section 8.5(a)(5), any such election must be filed with the Committee within the 90-day period ending on the Member's Annuity Starting Date. For this election to be effective —

(i) the Member's Spouse must consent in writing to the election;

(ii) the election and consent must specify the optional form of benefit;

(iii) the election and the consent must designate a Beneficiary (if applicable);

(iv) the Member's Spouse must acknowledge the financial consequences of the consent; and

(v) the Spouse's consent must be witnessed by a notary public or a Plan representative.

(B) **Exception to Consent Requirement.** The consent of a Member's Spouse shall not be required where—

(i) the Member elects the Qualified Optional Survivor Annuity;

(ii) the Committee determines that the required consent cannot be obtained because there is no Spouse or the Member's Spouse cannot be located;

(iii) the Committee determines that the Member is legally separated;

(iv) the Committee determines that the Member has been abandoned within the meaning of local law and there is a court order to that effect; or

(v) there exists any other circumstance (as determined by the Committee) prescribed by law as an exception to the consent requirement.

(C) **Revocation and Modification.** An election by a Member under section 8.5(a)(3)(A) to waive the Qualified Joint and Survivor Annuity may be revoked by the Member in writing without the consent of his or her Spouse at any time during the election period. Any subsequent election by a Member to waive the Qualified Joint and Survivor Annuity must comply with the requirements in section 8.5(a)(3)(A).

(4) **Optional Forms of Payment.** In lieu of the normal form of payment specified in section 8.5(a)(2), a Member may elect to his or her Tuscarora Money Purchase Pension Plan Account in accordance with one or more of the following payment options:

(A) a Single Life Annuity;

(B) a Qualified Optional Survivor Annuity (but only for a Member who is married on his or her Annuity Starting Date);

(C) a Ten-Year Certain and Life Annuity: or

(D) a lump sum payment.

Any such election made by a Member who is married on his or her Annuity Starting Date must comply with the requirements of section 8.5(a)(3). Any such election made by a Member who is not married on his or her Annuity Starting Date shall be valid only if the Member is furnished with an explanation of the material features of the optional payment form within the notice period described in section 8.5(a)(5).

(5) **Notice and Explanation to Members.** Except as otherwise provided in this section 8.5(a)(5), the Committee shall provide to each Member who has a balance in the Tuscarora Money Purchase Pension Plan Account, between 30 and 90 days before the Member's Annuity Starting Date, a written explanation of the Qualified Joint and Survivor Annuity. This explanation shall describe—

(A) the terms and conditions of the Qualified Joint and Survivor Annuity and the Qualified Optional Survivor Annuity;

(B) the material features and relative values of other optional forms of benefit available under the Plan;

(C) the Member's right to make (and the effect and financial consequences of) a waiver of the Qualified Joint and Survivor Annuity;

(D) the rights of the Member's Spouse regarding a waiver of the Qualified Joint and Survivor Annuity; and

(E) the right of a Member to revoke a prior waiver of the Qualified Joint and Survivor Annuity and the effect and financial consequences of such a revocation.

If the notice required under this section 8.5(a)(5) is not provided to the Member at least 30 days before the Member's Annuity Starting Date, the election period described in section 8.5(a)(3)(A) shall end on the 30th day following the date on which the explanation was provided. Subject to section 8.5(a)(3), a Member may elect to waive the requirement that the explanation must be provided at least 30 days before the Annuity Starting Date or at least 30 days before the end of the election period (as applicable). In the event of such a waiver, distribution of the Member's benefits must commence more than seven days after the explanation was provided.

(b) Distribution to Beneficiaries. If Member who has a balance in the Tuscarora Money Purchase Pension Plan Account dies before receiving a complete distribution of such account, any remaining distribution of such account to the Member's Beneficiary shall be made in accordance with this section 8.5(b).

(1) **Death Before the Annuity Starting Date.**

(A) **Time of Payment.** If a Member who is subject to this section 8.5(b) dies before his or her Annuity Starting Date, the Member's Tuscarora Money Purchase Pension Plan Account shall be paid to the Member's Beneficiary as of the date determined under section 8.4(b) (or section 8.4(c), if applicable).

(B) **Form of Payment.**

(i) **Unmarried Member.** If a Member dies before his or her Annuity Starting Date, and such Member does not have a surviving Spouse at the time of his or her death, the Member's Tuscarora Money Purchase Pension Plan Account shall be distributed to the Member's Beneficiary in the form of a single lump sum payment.

(ii) **Married Member.** Except as otherwise provide in section 8.4(c) or section 8.5(b)(1)(C), if a Member dies before his or her Annuity Starting Date, and such Member has a surviving Spouse at the time of his or her death, the Member's Tuscarora Money Purchase Pension Plan Account shall be distributed to the Member's surviving Spouse in the form of a Preretirement Survivor Annuity.

(C) **Waiver Procedures.**

(i) **General Rule.** A married Member who has a balance in the Tuscarora Money Purchase Pension Plan Account may waive the Preretirement Survivor Annuity and instead—

(I) designate a Beneficiary other than his or her Spouse to receive such account in the form of a lump sum payment after the Member's death; or

(II) elect to have such account distributed to the Spouse in the form of a single lump sum payment after the Member's death.

Any election by a married Member under this section 8.5(b)(1)(C) must be filed with the Committee during the period that begins on the first day of the Plan Year in which the Member attains age 35 and ends on the date of the Member's death. The Member's waiver must be made in a manner prescribed by the Committee. The Member's Spouse must give written consent to the waiver that states the optional payment form and/or the Beneficiary designated by the Member (as applicable) and acknowledges the effect and financial consequences of the waiver. The Spouse's consent must be witnessed by a notary public or a Plan representative.

(ii) **Exception to Consent Requirement.** The consent of a Member's Spouse shall not be required where—

(I) the Committee determines that the required consent cannot be obtained because there is no spouse or the Member's spouse cannot be located;

(II) the Committee determines that the Member is legally separated;

(III) the Committee determines that the Member has been abandoned within the meaning of local law and there is a court order to that effect; or

(IV) there exists any other circumstance (as determined by the Committee) prescribed by law as an exception to the consent requirement.

(D) **Revocation and Modification.** A waiver made by a married Member under section 8.5(b)(1)(C) may be revoked by the Member in writing without the consent of his or her Spouse at any time during the waiver period. Any subsequent election by a Member to waive the Preretirement Survivor Annuity must comply with the requirements of section 8.5(b)(1)(C)(i) above.

(E) **Waiver By Spouse.** Notwithstanding the above, a surviving Spouse who becomes entitled to a Preretirement Survivor Annuity under section 8.5(b)(1)(B)(ii) may elect to waive this benefit and elect instead to receive the Member's Tuscarora Money Purchase Pension Plan Account in the form of a single lump sum payment.

(F) **Notice to Employee.**

(i) **In General.** The Committee shall provide each Member, within the notice period described below a written explanation of—

(I) the terms and conditions of the Preretirement Survivor Annuity;

(II) the Member's right to make, and the effect and financial consequences of, a waiver of the Preretirement Survivor Annuity;

(III) the material features and relative values of the optional forms of benefit;

(IV) the rights of the Member's Spouse regarding a waiver of the Preretirement Survivor Annuity; and

(V) the right of the Member to revoke a prior waiver of the Preretirement Survivor Annuity and the effect and financial consequences of a revocation.

(ii) **Notice Period.** The Committee shall provide the notice described in section 8.5(b)(1)(F)(i) within whichever of the following periods ends later—

(I) the period beginning with the first day of the Plan Year in which the Member attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the Member attains age 35; or

(II) the period beginning on the first day the Member commenced participation in the Plan and ending on the close of the 12-month period following commencement of participation.

Notwithstanding the foregoing, if a Member terminates employment before age 35, the notice shall be provided within one year following the Member's termination. If a Member again becomes an Employee of the Employer before age 35, the Committee must again provide this notice within the period described in section 8.5(b)(1)(F)(ii)(I) or (II), whichever ends later. In no event shall the Committee be required to provide notice to a Member who has no vested benefit under the Plan after the Member has terminated employment with the Employer.

(2) **Death after the Annuity Starting Date.** If distribution of the Member's Tuscarora Money Purchase Pension Plan Account has commenced to the Member in the form of an annuity, benefits payable after the Member's death (if any) shall be made to the Member's Beneficiary as survivor payments in accordance with the form of payment in effect before the Member's death.

8.6 In-Service Withdrawals

(a) General Rule. No Member shall make a withdrawal under the Plan prior to incurring a Separation from Service (as defined in section 3.1(e)(2)) except to the extent specifically provided in this section and section 8.6.

(b) Voluntary Withdrawals. A Member who is in active employment with the Company or an Affiliate may withdraw all or part of his or her After-Tax Contributions Account, After-Tax Rollover Contributions Account, Rollover Contributions Account, and TEQ Pre-2004 Matching Account. A withdrawal under this section 8.6(b) shall be charged against these subaccounts on a pro rata basis.

(c) Age 59½ Withdrawals. A Member who is in active employment with the Company or an Affiliate, and who has attained age 59½, may withdraw all or part of the Vested Balance of his or her Account (excluding the portion of such Account that is attributable to his or her Retirement Contributions Account, Collectively-Bargained Nonelective Employer Contributions Account, and Tuscarora Money Purchase Pension Plan Account), or all or part of his or her Corenso Account (without exclusions) after such account balance is transferred to this Plan. A withdrawal after age 59½ shall be charged on a pro rata basis against the various subaccounts from which a withdrawal is permitted under this section 8.6(c). Effective June 1, 2021, the Tuscarosa Money Purchase Plan Account is an eligible source for withdrawals under this section.

(d) Hardship Withdrawals.

(1) **In General.** A Member who is in active employment with the Company or an Affiliate may withdraw on account of hardship all or part of the following accounts: Before-Tax Contributions Account (excluding earnings allocated to such account after 1988); Roth Contributions Account (excluding earnings allocated to such Account); Paysop Account; the Vested Balance of his or her Matching Contributions Account; PPI 401(k) Account (excluding earnings allocated to such Account); Peninsula 401(k) Account (excluding earnings allocable to such Account); Clear Lam 401(k) Account (excluding earnings allocable to such account); Conitex 401(k) Account (excluding earnings allocable to such account); and, effective after the Corenso 401(k) Plan is merged into the Plan, Corenso 401(k) Account. Members may not withdraw on account of hardship any part of his or her Prior Plan Matching Contributions Account or PPI Profit Sharing Account. Effective January 1, 2019, earnings shall no longer be excluded from amounts eligible for hardship withdrawals.

A Member may make a hardship withdrawal under this section 8.6(d) only after first exhausting withdrawals that are otherwise available to the Member under section 8.6(b) and (c).

(2) **Definition of Hardship.** A withdrawal is on account of hardship only if it is on account of an immediate and heavy financial need of the Member and the amount withdrawn is necessary to satisfy such need.

(A) **Immediate and Heavy Financial Need.** A distribution will be on account of an immediate and heavy financial need only if it is on account of—

(i) medical expenses described in Code section 213(d) incurred by the Member or the Member's spouse or dependents (as defined in Code section 152 without regard to Code section 152(b)(1), 152(b)(2), and 152(d)(1)(B));

(ii) costs directly related to the purchase (excluding mortgage payments) of a principal residence of the Member;

(iii) payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Member or the Member's Spouse, children, or dependents (as defined in Code section 152 without regard to Code sections 152(b)(1), 152(b)(2), and 152(d)(1)(B));

(iv) the need to prevent the eviction of the Member from his or her principal residence or foreclosure on the mortgage of the Member's principal residence;

(v) burial or funeral expenses for the Member's deceased parent, Spouse, children, or dependents (as defined in Code section 152 without regard to Code section 152(d)(1)(B)); or

(vi) expenses for the repair of damage to the Member's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to whether the loss exceeds 10 percent of adjusted gross income).

(B) **Necessary Amount.** A hardship withdrawal will be deemed necessary to satisfy an immediate and heavy financial need if—

(i) the distribution does not exceed the amount of the Member's immediate and heavy financial need (including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);

(ii) the Member has previously obtained all other distributions and loans currently available to him or her under this Plan or any other plan maintained by the Company or an Affiliate. Effective January 1, 2019, the Member no longer has to take all available loans under the Plan in order to qualify to receive a hardship withdrawal; and

(iii) all plans of deferred compensation maintained by the Employer suspend all Member contributions for the six-month period following receipt of the hardship withdrawal (but only if the withdrawal is comprised, in whole or in part, of Before-Tax and/or Roth Contributions). Effective for hardship distributions made on and after January 1, 2019, this requirement no longer applies, and no Member contributions will be suspended.

(C) **Order of Withdrawals.** A hardship withdrawal shall be charged on a pro rata basis against the various subaccounts from which a withdrawal is permitted under section 8.6(d)(1).

(e) Rules Governing Withdrawals.

(1) A Member making a withdrawal must file a request with the Committee at the time and in the manner specified by the Committee, and may be assessed a processing fee as determined from time to time by the Committee.

(2) Effective July 1, 2020, there is no minimum withdrawal requirement under this section 8.6. Prior to July 1, 2020, the minimum withdrawal under this section 8.6 was $500 (or, if less, the entire amount available for the particular withdrawal). However, effective April 1, 2014, this $500 minimum did not apply to any withdrawal under section 8.6(c) (related to withdrawals after age 59½) made by a Member who first became an Eligible Employee on April 1, 2014 in connection with the Company’s acquisition of Reparco USA. Effective March 1, 2017, this $500 minimum did not apply to withdrawals under this section 8.6 from a Member’s PPI 401(k) Account. Effective January 1, 2018, this $500 minimum did not apply to withdrawals under this section 8.6 from a Member’s Clear Lam 401(k) Account or Peninsula 401(k) Account.

(3) A withdrawal under this section 8.6 shall be made as of the earliest practicable Valuation Date following the date on which the request for withdrawal is made.

(4) A withdrawal under this section 8.6 shall be charged on a pro rata basis to each Fund (other than the loan fund) in which the affected subaccounts are invested.

(f) Qualified Birth and Adoption Distribution. Effective June 1, 2021, and in accordance with the terms of the Secure Act, Members may take up to $5,000 as a qualified birth and/or adoption distribution in accordance with procedures established by the Plan administrator.

(g) Coronavirus Related Distribution. In accordance with the terms of the Cares Act, Members who are qualified individuals (as defined in the Cares Act) may take an in-service distribution of up to the lesser of $100,000 and the vested portion of the Member's Account. This distribution is only available on and after April 13, 2020, and on or before December 30, 2020.

8.7 Required Minimum Distributions

(a) Definitions. For purposes of this Plan, the following definitions apply:

(1) **Required Beginning Date.** A Member's "Required Beginning Date" is April 1 of the calendar year following the later of:

(A) The calendar year in which the Member attains age 72 (or 70½ if the Member attained age 70½ prior to January 1, 2020); or

(B) The calendar year in which the Member incurs a Separation from Service (as defined in section 3.1(e)(2)).

Notwithstanding the foregoing, if a Member is a 5 percent owner (as described in Code section 416(i)) at any time during the Plan Year in which the Member attains age 72 (or 70½ if the Member attained age 70½ prior to January 1, 2020), distribution of the Member's Account shall commence no later than the April 1 of the calendar year following the calendar year in which the Member attains age 72 (or 70½ if the Member attained age 70½ prior to January 1, 2020) regardless of whether the Member has incurred a Separation from Service (as defined in section 3.1(e)(2)).

(2) **Designated Beneficiary.** A Member's "Designated Beneficiary" is any individual designated as a Beneficiary by the Member, in accordance with section 8.1, who remain Beneficiaries as of September 30 of the calendar year following the calendar year in which the Member dies.

(3) **Eligible Designated Beneficiary.** A Member's "Eligible Designated Beneficiary" is any Designated Beneficiary who, on the date of the Member's death, is:

(A) The Member's surviving Spouse;

(B) The Member's child who has not attained age 18 (the child will cease being an Eligible Designated Beneficiary upon attainment of age 18);

(C) The Member's disabled child (within the meaning of Code section 72(m)(7));

(D) Chronically ill (within the meaning of Code section 7702B(c)(2) as modified by Code section 401(a)(9)(E)(ii)(IV)); or

(E) An individual who is not more than 10 years younger than the Member.

(b) Latest Allowable Commencement Dates.

(1) **General Rule.** Distribution of a Member's Account shall commence no later than his or her Required Beginning Date.

(2) **Periodic Benefit Payments.** No election under this Article 8 will be effective unless the Member's total benefit will be distributed over a period that will not exceed—

(A) the life of the Member;

(B) the lives of the Member and the Member's Designated Beneficiary;

(C) a period certain not extending beyond the life expectancy of the Member; or

(D) a period certain not extending beyond the joint life and last survivor expectancy of the Member and the Member's Designated Beneficiary.

(c) Required Distributions Where Member Dies Before Entire Interest is Distributed.

(1) If benefits have commenced and the Member dies prior to receiving his or her entire interest under the Plan, the remaining portion of such interest shall be distributed as follows:

(A) To Eligible Designated Beneficiaries described in sections 8.7(a)(3)(A), (C), (D), or (E), to his or her Eligible Designated Beneficiary at least as rapidly as under the method of distribution selected by the Member;

(B) To Eligible Designated Beneficiaries described in section 8.7(a)(3)(B), by the end of the tenth year following the year of the Member's death;

(C) To Designated Beneficiaries who are not Eligible Designated Beneficiaries, by the end of the tenth year following the year of the Member's death; or

(D) To Beneficiaries who are not Designated Beneficiaries, at least as rapidly as under the method of distribution selected by the Member.

(2) If the Member dies prior to the commencement of benefits under the Plan, the interest payable shall be paid over a time period that does not exceed:

(A) For Eligible Designated Beneficiaries described in sections 8.7(a)(3)(A), (C), (D), or (E), the Eligible Designated Beneficiary’s life expectancy, commencing no later than:

(i) For Eligible Designated Beneficiaries described in section 8.7(a)(3)(A), distributions are required to begin no later than December 31 of the calendar year preceding the Member’s Required Beginning Date.

(ii) For Eligible Designated Beneficiaries described in sections 8.7(C), (D), or (E), distributions are required to begin no later than the end of the calendar year following the year of the Member’s death.

(B) For Eligible Designated Beneficiaries described in section 8.7(a)(3)(B), all amounts must be paid by the end of the tenth year following the year of the Member’s death;

(C) For Designated Beneficiaries who are not Eligible Designated Beneficiaries, all amounts must be paid by the end of the tenth year following the year of the Member’s death; or

(D) For Beneficiaries who are not Designated Beneficiaries, all amounts must be paid by the end of the fifth year following the year of the Member’s death.

(d) Minimum Distribution Amount. If a distribution is required under this section 8.7, the minimum amount that must be distributed each calendar year shall be determined under Code section 401(a)(9) and Treasury Regulations sections 1.401(a)(9)-1 through 1.401(a)(9)-9.

In accordance with the provisions of the Cares Act, no required minimum distributions were made from the Plan for the 2020 Plan Year.

8.8 Direct Transfers

(a) General Rule. Notwithstanding any provision of the Plan to the contrary, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(1) **Eligible rollover distribution** means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include—

(A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more;

(B) any distribution to the extent such distribution is required under Code section 401(a)(9);

(C) except as provided below, the portion of any distribution that is not includible in gross income (determined with regard to the exclusion for net unrealized appreciation with respect to employer securities); and

(D) the portion of any distribution that represents a hardship withdrawal pursuant to section 8.6(d).

Notwithstanding section 8.8(b)(1)(C), a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of the Participant's After-Tax Contributions Account or After-Tax Rollover Contributions Account. Any such amounts may be transferred to (i) a qualified trust described in Code section 401(a) or an annuity contract described in Code section 403(b) that agrees to separately account for amounts so transferred (including separately accounting for the portion of such distribution which is includible in gross income and the portion of the distribution which is not includible in gross income); (ii) an individual retirement account described in Code section 408(a); or (iii) an individual retirement annuity (other than an endowment contract) described in Code section 408(b).

In addition, a portion of a distribution from a Member's Roth Contributions Account or Roth Rollover Contributions Account does not fail to be an eligible rollover distribution merely because the portion is not includible in the distributee's gross income (determined without regard to the rollover). However, such portion may only be transferred to a Roth IRA or directly transferred to a designated Roth account under a Code section 401(a) plan or a Code section 403(b) plan that agrees to account separately for the amounts so transferred, including separately accounting for the portion of such distribution that is includible in gross income and the portion such distribution that is not so includible.

(2) **Eligible retirement plan** means—

(A) an individual retirement account described in Code section 408(a);

(B) an individual retirement annuity described in Code section 408(b);

(C) an annuity plan described in Code section 403(a);

(D) a qualified trust described in Code section 401(a);

(E) an annuity contract described in Code section 403(b);

(F) an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and that agrees to account separately for amounts transferred into such plan from this Plan; and

(G) an individual retirement arrangement described in Code section 408A.

(3) **Distributee** means a Participant or former Participant. In addition, the Participant's or former Participant's surviving Spouse and the Participant's or former Participant's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order (as defined in Code section 414(p)) are distributees with regard to the interest of the Spouse or former Spouse.

In addition, a non-Spouse Beneficiary may elect, at a time and in a manner prescribed by the Committee, to have any portion of a distribution from the Plan paid directly to an eligible retirement plan specified by the non-Spouse Beneficiary in a direct trustee-to-trustee transfer. However, in the case of any such distribution to a non-Spouse Beneficiary, an eligible retirement plan shall mean an individual retirement account described in Code section 408(a) or an individual retirement annuity described in Code section 408(b).

(4) **Direct rollover** means a payment by the Plan to the eligible retirement plan specified by the distributee.

8.9 Rehired Member

In the event that a Member who has had a Separation from Service (as defined in section 3.1(e)(2)) is rehired by the Company or an Affiliate before having received a complete distribution of the Vested Balance of his or her Account, further distribution of the Member's Account shall be suspended, and the undistributed balance shall continue to be held in the Account until the Member is again entitled to a distribution under this Article 8.

8.10 Distributions on Account of Military Service

A Member who is performing service in the uniformed services (as defined in chapter 43 of title 38 of the U.S. Code) for a period of more than 30 days shall be treated as having severed from employment under Code section 401(k)(2)(B)(i)(I) during such period of service and may elect to receive all or part of his or her Before-Tax Contributions Account, Roth Contributions Account, and, effective March 1, 2017, his or her PPI 401(k) Account in a lump sum payment. Effective January 1, 2018, Members who satisfy the foregoing criteria may elect to receive all or part of all of their Accounts. If a Member elects to receive a distribution pursuant to this section 8.10, the Member shall be prohibited from making any contributions to the Plan and all other plans maintained by the Company and its Affiliates for six months after the date of the distribution.

Effective March 1, 2017, Members can take Qualified Reservist Distributions from the pretax contribution portion of their PPI 401(k) Accounts. Effective January 1, 2018, Members can take Qualified Reservist Distributions from the pretax and/or Roth contribution portion of any of their Accounts holding pretax or Roth contributions. A “Qualified Reservist Distribution” means any distribution to an individual who is ordered or called to active duty after September 11, 2001, if the Member was (by reason of being a member of a reserve component, as defined in section 11 of Title 37 of the United States Code) ordered or called to active duty for a period in excess of 179 days or for an indefinite period and the Plan makes the distribution during the period beginning on the date of such order or call, and ending at the close of the active duty period.

Article 9. Loans to Members

9.1 Committee Authorized to Make Loans

Upon application of a Member who is in active employment with the Company or an Affiliate, the Committee may direct the Trustee to make a cash loan to the Member from the Vested Balance of his or her Account (excluding the portion of such Account that is attributable to the Member's Retirement Contributions Account and Tuscarora Money Purchase Pension Plan Account). Whether these loans are made, as well as their amounts and terms, shall be in the sole discretion of the Committee, subject to the provisions of this Article.

(Loans shall also be available on a reasonably equivalent basis to a Member or a Beneficiary who is a "party in interest" (as defined in ERISA section 3(14)).)

9.2 Amount of Loans

(a) Maximum Amount. The maximum amount of any loan permitted under this Article (when added to the outstanding loan balance of all loans to the Member under this Plan and any other qualified retirement plan maintained by the Company or an Affiliate) shall be the lesser of—

(1) $50,000, reduced by the excess (if any) of—

(A) the highest outstanding balance of loans from this Plan or any other qualified retirement plan maintained by the Company or an Affiliate during the one-year period ending on the day before the loan was made; over

(B) the outstanding balance of loans from this Plan and any other qualified retirement plan maintained by the Company or an Affiliate on the date the loan is made; or

(2) 50 percent of the Member's Vested Balance at the relevant time.

Notwithstanding the foregoing, for loans issued to qualified individuals (as defined in the Cares Act) on and after April 13, 2020, and on or before September 22, 2020, the $50,000 limit in subsection (1) is increased to $100,000, and the 50% limit in subsection (2) is increased to 100%.

(b) Minimum Amount. The minimum amount of any loan made under this Article shall be $1,000.

(c) Collateral. A portion of the Member's Account equal to the amount of the loan shall be used as collateral to secure the loan.

(d) Number of Loans. A Member may have up to two general purpose loans, or one general purpose loan and one residential loan, outstanding from this Plan at any one time.

If a Member who was a Clear Lam employee had more than two outstanding loans from the Clear Lam Plan on January 1, 2018, the foregoing limitation will not apply and the Member will be permitted to have more than two outstanding loans from the Plan at the same time. However, the Member will not be eligible to obtain any new loans from the Plan until he or she has only one outstanding loan. This exception only applies to loans merged into the Plan from the Clear Lam Plan.

9.3 Interest

Each loan made under the Plan shall bear a reasonable rate of interest established by the Committee in a uniform and nondiscriminatory manner on the basis of rates currently charged by commercial lenders for loans made in similar circumstances.

9.4 Term

A loan shall be for the term (in whole month increments) requested by the Member or Beneficiary, but shall not exceed five years (or 20 years, in the case of a loan for the acquisition of the Member's principal residence).

9.5 Repayment

(a) Equal Installments. Loans shall be repaid in equal installments, one per payroll period, representing a combination of interest and principal sufficient to amortize the loan during its term (plus any reasonable processing fees, as determined by the Committee).

(b) Active Members. Payments by active Members shall be made each payroll period through payroll withholding. If the payroll period for an active Member changes, the loan installments determined under section 9.5(a) shall be adjusted to reflect the change.

(c) Inactive Members and Beneficiaries. A Member who has an outstanding loan upon his or her Separation from Service may continue making payments on a monthly basis by an automatic debit to such Member's personal bank account.

(d) Prepayment. Prepayments of the entire loan balance in a manner acceptable to the Trustee may be made without penalty. Partial prepayments are not allowed.

(e) Default. If a Member fails to make an installment payment required by this section by 90 days after the date on which such installment is first due, the loan may be declared in default and shall then become immediately due and payable in full. If the Member does not then repay the full loan balance, his or her Account shall be offset by the unpaid loan balance at the earliest time permitted by law.

(f) Suspension of Payments during Military Leave. Each Member may elect to suspend his or her loan repayments while on unpaid military leave covered under the Uniformed Services Employment and Reemployment Rights Act of 1994. In such event, the loan term will be extended by the length of the suspension and interest will not accrue during the period of the leave.

(g) Cares Act Suspension of Loan Payments and Reamortization. Notwithstanding the foregoing, the payment deadlines for loan payments required to be made by qualified individuals (as defined in the Cares Act) between April 13, 2020 and December 31, 2020, may be extended for one year in accordance with the Cares Act. The payment amount shall be reamortized so that the loan is fully paid off one year after the original final payment date.

9.6 Loans Treated as Plan Investments

(a) Charge to Accounts and Funds. Loan proceeds distributed to a Member shall be charged on a pro rata basis against the various subaccounts from which a loan is permitted under section 9.1. Additionally, loan proceeds distributed to the Member shall be charged, on a pro rata basis, to each Fund in which the affected subaccount is invested. The amount distributed to a Member shall be equal to the face value of the loan less any origination or other fee assessed in connection with making the loan.

(b) Loan Fund. A promissory note equal to the face value of the loan shall then be credited as an asset of an individual loan fund established in the Member's name. The value of a Member's Account shall include the amount of principal and accrued interest remaining to be paid under this note.

(c) Credit to Accounts and Funds. As soon as reasonably practicable following receipt of loan repayments, the Trustee shall credit principal and interest repayments to the subaccounts of the Member's Account from which the loan was initially withdrawn on a pro rata basis. The amount of the loan repayment (including principal and interest) shall be invested in the Funds in accordance with the investment election last submitted by the Member or Beneficiary under Article 6.

9.7 Documents

No loan under this Article shall be made until the Member or Beneficiary has—

(a) completed a loan application setting forth any information the Committee deems appropriate;

(b) agreed to a promissory note designating the Trustee as payee and stating the amount, term, repayment schedule, interest rate, and other terms and conditions consistent with this Article;

(c) authorized and directed that the Employer shall withhold each payroll period, and remit to the Trustee, the installment amounts determined under section 9.5(a); and

(d) granted a conditional security interest in the Member's Account to the Trustee as security for repayment of the loan.

All such steps shall be completed by submitting the appropriate forms or as otherwise directed by the Committee.

Article 10. Amendment and Termination

10.1 Amendment and Termination

The Company expects the Plan to be permanent, but the Company must necessarily and does hereby reserve the right to amend or modify in any respect, or to terminate, the Plan at any time, for any reason whatsoever, by written resolution of the Company's Board. Any such amendments to the Plan may be made retroactively if necessary or appropriate to maintain the Plan as a plan meeting the requirements of Code section 401(a).

In addition, the Committee shall have the authority to adopt in writing any amendment that is not expected to significantly alter the Plan's contribution provisions or increase its expense.

No amendment of the Plan shall cause any part of the Trust Fund to be used for, or diverted to, purposes other than the exclusive benefit of the Members or their Beneficiaries. No plan amendment may decrease the accrued benefit of any Member. Retroactive plan amendments may not decrease the accrued benefit of any Member determined as of the time the amendment was adopted.

No amendment may eliminate or reduce an early retirement benefit or a retirement-type subsidy (as defined in Treasury regulations), or eliminate an optional form of benefit with respect to benefits attributable to service before the amendment, except as permitted under Code section 411(d)(6).

10.2 Vesting on Termination or Partial Termination

Upon a complete or partial termination of the Plan or complete discontinuance of contributions to the Plan (within the meaning of Treasury Regulation section 1.411(d)-2), no further contributions shall be made under the Plan on behalf of affected Members; the Account of each Member (or, in the case of a partial termination, each affected Member within the meaning of Treasury Regulation section 1.411(d)-2) shall fully vest; and the Accounts of any affected Members shall be distributed at the time and in the manner specified in Article 8.

10.3 Merger, Consolidation, or Transfer

In the case of any merger or consolidation of the Plan with, or any transfer of assets and liabilities of the Plan to, any other plan, provision shall be made so that each Member would, if the Plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer that is equal to or greater than the benefit the Member would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then been terminated.

Article 11. Administration

11.1 Plan Administrator and Fiduciary

(a) Plan Administrator. The general administration of the Plan shall be carried out by the Committee, which shall act as the “plan administrator” within the meaning of Title I of ERISA.

The Committee shall consist of at least three, but no more than seven, individuals who will serve as members of the Committee by virtue of their job titles, as specified in a resolution adopted by the Board. A Committee member will lose his or her status as such when he or she ceases to hold the job title by virtue of which he or she is a member. In addition, a Committee member may resign at any time by written resignation from his or her job title, submitted to the Company and the Committee. The successor to such job title will then become the successor Committee member.

(b) Fiduciaries. Plan fiduciaries will have the powers and duties described in this section 11.1(b), and may delegate such duties to the extent permitted under ERISA section 402.

(1) **The Board.** The fiduciary duties of Board members are limited to the adoption of resolutions indicating (i) which Employees (by job title) will serve as members of the Committee; and (ii) which Employees (by job title) will serve as members of the Investment Council.

(2) **The Employers.** The fiduciary duties of the Company and other Employers hereunder are limited to (i) making contributions to the Plan in the amounts determined by the Committee; and (ii) executing documents by which the Plan is governed.

(3) **The Trustee.** The fiduciary duties of the Trustee are those enumerated in the Trust Agreement.

(4) **The Investment Council.** The Investment Council shall consist of at least three, but no more than seven, individuals who will serve as members of the Investment Council by virtue of their job titles, as specified in a resolution adopted by the Board. An Investment Council member will lose his or her status as such when he or she ceases to hold the job title by virtue of which he or she is a member. In addition, a member of the Investment Council may resign at any time by written resignation from his or her job title, submitted to the Company and the Investment Council. The successor to such job title will then become the successor Investment Council.

The Investment Council has primary responsibility for the investment of Plan assets including (i) the power to select and remove the Trustee; (ii) the power to select and remove investment managers (and to determine how Plan assets will be allocated among the Trustee and any such investment managers); (iii) the obligation to maintain a written investment policy; (iv) the obligation to determine which Funds will be available under the Plan (to the extent that this responsibility is not delegated to the Trustee or one or more investment managers); and (v) the obligation to evaluate the performance of investment managers and Funds.

(5) **The Committee.** The Committee shall have the duties described in sections 11.6 through 11.10.

11.2 Specialists and Expenses

(a) The Committee and/or Investment Council may employ any counsel, auditors, and other specialists, and obtain any clerical, actuarial, and other services, and purchase products which are appropriate and helpful in carrying out the provisions of the Plan. Except to the extent paid by the Company or an Affiliate in its sole and absolute discretion, these fees and expenses shall be paid by the Trust Fund.

(b) The Company or an Affiliate may initially pay any expense that normally would be a charge on the Trust Fund and later obtain reimbursement from the Trust Fund.

(1) This even applies in cases where at the time of the initial payment of the expense, it is not clear that the Company or Affiliate may lawfully seek reimbursement from the Trust Fund, but such legal right to reimbursement is later clarified.

(2) It is specifically anticipated that there may be situations, such as litigation, where the Company or an Affiliate might choose to bear costs initially, but later obtain reimbursement many years after the costs were incurred. Such delayed reimbursements shall be permissible.

(c) Each member of the Committee and Investment Council who is also a full-time Employee of the Company or an Affiliate shall not receive additional compensation for his or her services as a member of the Committee or Investment Council. Any other member of the Committee or Investment Council may receive compensation for services as a member, to be paid from the Trust Fund to the extent not paid by the Company or an Affiliate in its sole and absolute discretion. Any member of the Committee or Investment Council may also receive reimbursement from the Trust Fund to the extent not paid by the Company or an Affiliate in its sole and absolute discretion for expenses properly and actually incurred.

11.3 Records

All resolutions, proceedings, acts, and determinations of the Committee and Investment Council shall be recorded in writing. All such records, together with any documents and instruments as may be necessary for the administration of the Plan, shall be preserved in the custody of the Committee or Investment Council.

11.4 Manner of Action

Subject to the terms of the Plan, the Committee and Investment Council may from time to time in its discretion establish rules for the conduct of their affairs and the exercise of the duties imposed upon them under the Plan.

A majority of the members of the Committee or Investment Council at the time in office shall constitute a quorum for the transaction of business. All resolutions adopted and other actions taken by the Committee or Investment Council shall be by a majority vote of their members taken either at a meeting or by polling all such members.

The Committee or Investment Council may certify to the Trustee, by majority vote or action as provided for herein, the name of one member of the Committee or Investment Council who is authorized to act on its behalf in its relationship with the Trustee. The Trustee is authorized to act pursuant to the written instructions of any member of the Committee or Investment Council so designated.

11.5 Assistance

The Committee and Investment Council, in its sole and absolute discretion, may delegate any of its powers and duties under this Plan to one or more individuals or committees. In such a case, every reference herein to the Committee or Investment Council shall be deemed to include such individuals as to matters within their jurisdiction.

The Committee and Investment Council shall also have the authority and discretion to engage an administrative delegate who shall perform, without discretionary authority or control, administrative functions within the framework of policies, interpretations, rules, practices, and procedures made by the Committee or Investment Council.

Any action made or taken by the administrative delegate may be appealed by an affected Member or Beneficiary to the Committee in accordance with the claims review procedures provided in section 11.7. Any decisions that call for interpretations of Plan provisions not previously made by the Committee shall be made only by the Committee. The administrative delegate shall not be considered a fiduciary with respect to the services it provides. Notwithstanding the foregoing, the administrative delegate shall not be relieved of any liability to the Plan or an Employer, Member, or Beneficiary arising from any action (or failure to act) that is judicially determined to result from the administrative delegate’s gross negligence or willful misconduct.

In addition, the Investment Council may, at its discretion, appoint one or more investment managers, each of whom will have full power and authority to manage, acquire, or dispose (or direct the Trustee with respect to acquisition or disposition) of any Plan asset under its control. For purposes of this section, “investment manager” means any person, firm, or corporation who is a registered investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company, and who (a) has the power to manage, acquire, or dispose of Plan assets, and (b) acknowledges in writing his or her fiduciary responsibility to the Plan.

11.6 Administration

The Committee shall have all powers necessary or appropriate to carry out the provisions of the Plan. It may, from time to time, establish rules for the administration of the Plan and the transaction of the Plan's business.

In making any determination or rule, the Committee shall pursue uniform policies established by it. The Committee shall not discriminate in favor of or against any Member. The Committee shall have the exclusive right to make any finding of fact necessary or appropriate for any purpose under the Plan including, but not limited to, the determination of the eligibility for and the amount of any benefit payable under the Plan.

The Committee shall have the right to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. The Committee shall make, or cause to be made, all reports or other filings necessary to meet the reporting, disclosure, and other filing requirements of ERISA that are the responsibility of "plan administrators" under ERISA.

To the extent permitted by law, all findings of fact, determinations, interpretations, and decisions of the Committee shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Plan.

In carrying out its responsibilities hereunder, the Committee shall have the utmost discretion permitted by law.

11.7 Appeals from Denial of Claims

If any claim for benefits under the Plan is wholly or partially denied, the claimant shall be given notice of the denial. This notice shall be in writing within a reasonable period of time after receipt of the claim by the Committee. This period will not exceed 90 days after receipt of the claim, except that if the Committee determines that special circumstances require an extension of time, the period may be extended up to an additional 90 days. Written notice of the extension shall be furnished to the claimant prior to termination of the initial 90-day period, and it shall indicate the special circumstances requiring an extension of time and the date by which the benefit determination is expected.

Notice of any claim denial shall be written in a manner calculated to be understood by the claimant and shall set forth the following information:

(a) the specific reasons for the denial;

(b) specific reference to the Plan provisions on which the denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why this material or information is necessary;

(d) an explanation that a full and fair review by the Committee of the decision denying the claim may be requested by the claimant or his or her authorized representative by filing with the Committee, within 60 days after the notice has been received, a written request for the review; and

(e) a statement of the claimant’s right to bring a civil action under ERISA section 502(a) following an adverse decision upon review.

If a claimant files a written request for review of a denied claim, the claimant or his or her representative may request, free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim and may submit written comments, documents, records, and other information relevant to the claim within the 60-day period specified in section 11.7(d). The notice of claim denial shall include a statement of the claimant’s rights to review and submit information pursuant to this paragraph.

The review by the Committee shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim without regard to whether such material was submitted or considered as part of the initial determination. The decision of the Committee upon review shall be made promptly, and not later than 60 days after the Committee’s receipt of the request for review. However, if the Committee determines that special circumstances require an extension of time, this period may be extended up to an additional 60 days. Written notice of the extension shall be furnished to the claimant prior to termination of the initial 60-day period, and it shall indicate the special circumstances requiring an extension of time and the date by which the decision on review is expected.

If the claim is denied, wholly or in part, the claimant shall be given a copy of the decision promptly. The decision shall be in writing and shall be written in a manner calculated to be understood by the claimant. The decision shall include specific reasons for the denial; specific references to the pertinent Plan provisions on which the denial is based; a statement that the claimant may request, free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim; and a statement of the claimant’s right to bring a civil action under ERISA section 502(a).

11.8 Notice of Address and Missing Persons

Each person entitled to benefits under the Plan must file with the Committee, in writing, his or her post office address and each change of post office address. If a person entitled to benefits cannot be located, actions compliant with the requirements of Department of Labor Field Assistance Bulletin No. 2014-01 (“FAB 2014-01”) will be taken. If the steps required by FAB 2014-01 are satisfied and the person still cannot be located, the Committee may direct that his or benefit and all further benefits with respect to such person be discontinued and all liability for the payment thereof terminate. However, in the event of the subsequent reappearance of the Member, Beneficiary, or Alternate Payee prior to termination of the

Plan, the benefits that were due and payable shall be paid in a single sum, and the future benefits due such person shall be reinstated in full.

11.9 Data and Information for Benefits

All persons claiming benefits under the Plan must furnish to the Committee such documents, evidence, or information as the Committee considers necessary or desirable to administer the Plan. Any such person must furnish this information promptly and sign any documents the Committee may require before any benefits become payable under the Plan.

11.10 Effect of a Mistake

In the event of a mistake or misstatement as to the eligibility, participation, or service of any Member, or the amount of payments made or to be made to a Member or Beneficiary, the Committee shall, if possible, cause such payment amounts to be withheld, accelerated, or otherwise adjusted as will in its sole judgment result in the Member or Beneficiary receiving the proper amount of payments under this Plan. Any such adjustments shall be made in accordance with the correction principles established by the Internal Revenue Service under the Employee Plans Compliance Resolution System or other applicable guidance.

11.11 Indemnity for Liability

To the extent permitted by law, the agents, representatives, directors, officers, and Employees of the Company shall be indemnified by the Company against any and all claims, losses, damages, expenses (including counsel fees), and any other liability (including any amounts paid in settlement with the Company's approval) arising from such individuals' action or conduct relating to Plan administration. The Company is not liable to indemnify these persons against such claims, losses, damages, expenses, or liabilities when the same is judicially determined to be attributable to gross negligence or willful misconduct. The Company shall pay the premiums on any bond secured under this section and shall be entitled to reimbursement by the other Employers for their proportionate share.

Article 12. Trust Arrangements

12.1 Appointment of Trustee

A Trustee for the Plan shall be named in the Trust Agreement, and upon acceptance thereof, the Trustee shall perform the duties and exercise the authority of the Trustee as set forth in the Plan and in the Trust Agreement. Any Trust Agreement holding funds under the Plan is incorporated herein by reference.

12.2 Removal of Trustee; Appointment of Other Trustee

The Company reserves the right to remove the Trustee and to appoint a successor Trustee upon giving 60 days prior written notice to the Trustee, or upon any other date mutually agreed to by the Company and the Trustee.

12.3 Change in Trust Agreements

The Company may from time to time enter into further agreements with a Trustee or other parties and make amendments to Trust Agreements that it deems necessary or desirable to carry out the Plan. The Company may take any other steps and execute any other instruments that it deems necessary or desirable to put the Plan into effect.

12.4 Trust Fund

All deposits under this Plan shall be paid to the Trustee and deposited in the Trust Fund. All assets of the Trust Fund, including investment income, shall be retained for the exclusive benefit of Members and Beneficiaries, shall be used to pay benefits under the Plan or to pay administrative expenses of the Plan and Trust Fund, to the extent not paid by an Employer in its sole discretion, and shall not revert to or inure to the benefit of an Employer, except as provided in section 12.5.

12.5 Reversion of Employer Contributions

(a) If the Internal Revenue Service initially determines that the Plan does not meet the requirements of Code section 401, the Employer shall be entitled to receive a return of all its contributions made hereunder.

(b) The portion of a contribution made by an Employer by a mistake of fact shall be returned to the Employer within one year after the payment of the contributions.

(c) The portion of a contribution made by an Employer and disallowed by the Internal Revenue Service as a deduction under Code section 404 shall be returned to the Employer within one year after the Internal Revenue Service disallows the deduction. All contributions by Employers are strictly conditioned on their current deductibility under Code section 404.

(d) Earnings attributable to the contributions to be returned under this section shall not be returned to an Employer, and any losses attributable to these contributions shall reduce the amount returned.

Article 13. Top-Heavy Plan Provisions

13.1Top-Heavy Determination

The top-heavy provisions of this Article shall be applied as follows.

(a) Single Plan Determination. Except as provided in section 13.1(b)(2) below, if as of the Applicable Determination Date the aggregate amount of the Account balances of Key Employees under the Plan exceeds 60 percent of the aggregate amount of the Account balances of all Employees (other than former Key Employees) under the Plan, the Plan will be top-heavy, and the provisions of this Article shall become applicable. For the purposes of this Article—

(1) Account balances shall include the aggregate amount of any distributions made with respect to the Employee during the five-year period (or one-year period for distributions made on account of severance from employment, death, or disability) ending on the Applicable Determination Date and any contribution due but unpaid as of said Applicable Determination Date; and

(2) the Account balance of any individual who has not performed services for the Employer or the Affiliates at any time during the one-year period ending on the Applicable Determination Date shall not be taken into account.

The determination of the foregoing ratio, including the extent to which distributions, rollovers, and transfers shall be taken into account, shall be made in accordance with Code section 416.

(b) Aggregation Group Determination.

(1) If as of the Applicable Determination Date the Plan is a member of a Required Aggregation Group which is top-heavy, the provisions of this Article shall become applicable. For purposes of this section 13.1(b), an Aggregation Group shall be top-heavy, as of the Applicable Determination Date, if the sum of—

(A) the aggregate amount of account balances of Key Employees under all defined contribution plans in such group, and

(B) the present value of accrued benefits for Key Employees under all defined benefit plans in such group

exceeds 60 percent of the same amounts determined for all Employees (other than former Key Employees) under all plans included within the Aggregation Group. Account balances and accrued benefits shall be adjusted for any distribution made in the five-year period (or one-year period for distributions made on account of severance from employment, death, or disability) ending on the Applicable Determination Date and any contribution due but unpaid as of the Applicable Determination Date. The account balance of any individual who has not performed services for the Employer or the Affiliates at any time during the one-year period ending on the Applicable Determination Date shall not be taken into account. The determination of the foregoing ratio, including the extent to which distributions (including distributions from terminated plans), rollovers, and transfers are taken into account, shall be made in accordance with Code section 416 and the regulations thereunder.

(2) If the Plan is top-heavy under section 13.1(a) above, but the Aggregation Group is not top-heavy, this Article shall not be applicable.

(c) The Committee. The Committee shall have responsibility to make all calculations to determine whether the Plan is top-heavy.

13.2 Definitions

For purposes of this Article, the following definitions apply.

(a) Aggregation Group means a required aggregation group or a permissive aggregation group as follows.

(1) **Required Aggregation Group.** All plans maintained by the Company and Affiliates in which a Key Employee participates shall be aggregated to determine whether the plans, as a group, are top-heavy. Each other plan of the Company and Affiliates which enables this Plan to meet the requirements of Code section 401(a) or section 410 shall also be aggregated.

(2) **Permissive Aggregation Group.** One or more plans maintained by the Company and Affiliates, which are not required to be aggregated, may be aggregated with each other or with plans under section 13.2(a)(1) if such group would continue to meet the requirements of Code sections 401(a)(4) and 410 with such plan(s) being taken into account.

(b) Applicable Determination Date shall mean, with respect to the Plan, the Determination Date for the Plan Year of reference and, with respect to any other plan, the Determination Date for any plan year of such plan which falls within such calendar year as the Applicable Determination Date of the Plan.

(c) Determination Date shall mean, with respect to the initial plan year of a plan, the last day of such plan year and, with respect to any other plan year of a plan, the last day of the preceding plan year of such plan.

(d) Key Employee means a Member or Beneficiary of such Member, if such Member for the Plan Year containing the Determination Date is—

(1) an officer of the Company or an Affiliate who has annual Compensation greater than $170,000 (as indexed from time to time in accordance with Code section 416(i));

(2) a 5-percent owner of the Company or an Affiliate; or

(3) a 1-percent owner of the Company or an Affiliate having annual Compensation of more than $150,000.

Ownership shall be determined in accordance with Code section 416(i)(1)(B) and (C). Any Employee who is not a Key Employee shall be a “non-key Employee” for purposes of applying this Article 13.

(e) **Compensation** means, for all purposes under this Article 13, an Employee's "Compensation" as determined under section 2.14(b). In no event shall an Employee's Compensation under this Article 13 exceed the limit described in section 2.14(f).

13.3 Vesting Requirements

If the Plan is determined to be top-heavy with respect to a Plan Year, then a Member's interest in his or her Account shall vest in accordance with the following schedule:

Years of Vesting Service	Vested Percentage
Fewer than 1	0%
1 but fewer than 2	20%
2 but fewer than 3	40%
3 or more	100%

If in a subsequent Plan Year, the Plan is no longer top-heavy, the vesting provisions that were in effect prior to the time the Plan became top-heavy shall be reinstated. However, the Member's Vested Percentage following such reinstatement (with respect to the Member's Account both before and after the reinstatement) shall not be reduced below the Member's Vested Percentage immediately before such reinstatement.

13.4 Minimum Contribution

For each Plan Year with respect to which the Plan is top-heavy, the minimum amount contributed by the Employer under the Plan for the benefit of each Participant who is not a Key Employee and who is otherwise eligible for such a contribution shall be the lesser of—

(a) 3 percent of the non-key Participant's Compensation for the Plan Year, or

(b) the non-key Participant's Compensation times a percentage equal to the largest percentage of such Compensation allocated under such plan with respect to any Key Employee for the Plan Year.

Matching Contributions allocated to Key Employees shall be treated as an allocation of contributions by an Employer under this section 13.4. However, if Matching Contributions to non-key Employees are used to satisfy the minimum contribution requirement under this section 13.4, these Matching Contributions shall not be tested under section 5.8, and they must otherwise satisfy the nondiscrimination requirements of Code section 401(a)(4).

This minimum contribution is determined without regard to any Social Security contribution. This minimum contribution shall be made on behalf of each non-key Employee who has not separated from service before the end of the Plan Year, without regard to whether the non-key Employee declines to make any mandatory contributions that may be required by the Plan. Contributions attributable to a salary reduction or similar arrangement shall be taken into account only with respect to contributions made on behalf of Key Employees. The minimum contribution provisions stated above shall not apply to any Participant who was not employed by the Company or an Affiliate on the last day of the Plan Year.

This section 13.4 shall not apply to a Participant covered under a qualified defined benefit plan or a qualified defined contribution plan maintained by the Company or an Affiliate if the Participant's vested benefit thereunder satisfies the requirements of Code section 416(c). Amounts contributed under this section shall be credited to a Member's Retirement Contributions Account.

13.5 Union Employees

The requirements of this Article 13 shall not apply with respect to any Employee included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and an Employer if retirement benefits were the subject of good faith bargaining between such Employee representatives and the Employer.

Article 14. Participation in and Withdrawal from Plan by an Affiliate

14.1 Participation in Plan

Any Affiliate that desires to become an Employer hereunder may elect, with the consent of the Company, to become a party to the Plan by—

(a) having its board of directors adopt the Plan for the benefit of its eligible Employees effective as of the date specified in the adoption resolution; and

(b) by filing with the Company a certified copy of such resolution, together with any other instruments that the Company may require.

The Company shall then file with the Trustee a copy of the Affiliate's adoption resolution, together with the Company's written approval of the adoption.

The adoption resolution may contain any specific changes and variations in Plan or Trust Agreement terms and provisions applicable to the adopting Employer and its Employees that are acceptable to the Company and the Trustee. However, the sole, exclusive right of any other amendment to the Plan or Trust Agreement is reserved by the Company. The Company may not amend specific changes and variations in the Plan or Trust Agreement terms and provisions as adopted by the Employer in its adoption resolution without the consent of the Employer. The adoption resolution shall become, as to the adopting organization and its Employees, a part of this Plan and the related Trust Agreement. It shall not be necessary for the adopting organization to sign or execute the original or amended Plan and Trust Agreement documents.

The effective date of the Plan for any adopting Affiliate shall be that stated in the resolution of adoption. From and after this effective date, the adopting Affiliate shall assume all the rights, obligations, and liabilities of an individual Employer entity under the Plan and Trust Agreement.

The administrative powers and control of the Company, as provided in the Plan and Trust Agreement, including the sole right of amendment, and of appointment and removal of the Trustee, and its successors, shall not be diminished by reason of the participation of any adopting Affiliate in the Plan.

14.2 Withdrawal from Plan

Any Employer, by action of its board of directors or other governing authority, may withdraw from the Plan and Trust Agreement after giving 90 days' notice to the Company, provided the Company consents to the withdrawal. Distribution may be implemented through continuation of the Trust Fund, or transfer to another trust fund exempt from tax under Code section 501, or to a group annuity contract qualified under Code section 401, or distribution may be made as an immediate cash payment in accordance with the directions of the Committee. However, no action shall divert any part of the fund to any purpose other than the exclusive benefit of the Employees of the Employer. Additionally, no such action shall be inconsistent with the requirements of Code sections 401(a).

Article 15. Miscellaneous

15.1 Incompetency
Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Committee receives written notice, in a form and manner acceptable to it, that the person is incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his or her estate has been appointed. If the Committee finds that any person to whom a benefit is payable under Plan is unable to care properly for his or her affairs, or is a minor, any payment due will be made to a legal guardian or other legal representative.

If a guardian or conservator of the estate of any person receiving or claiming benefits under the Plan is appointed by a court of competent jurisdiction, payments shall be made to such guardian or conservator if proper proof of the appointment is furnished in a form and manner suitable to the Committee.

To the extent permitted by law, any payment made under the provisions of this section shall be a complete discharge of liability under the Plan.

15.2 Nonalienation of Benefits
Except as provided in Code section 401(a)(13), no benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. The Trust Fund under the Plan shall not in any manner be liable for or subject to the debts or liabilities of any Member or Beneficiary entitled to any benefit.

The preceding paragraph shall also apply to the creation, assignment, or recognition of a right to any interest or benefit payable with respect to a Member pursuant to a domestic relations order, unless the order is determined to be a qualified domestic relations order (as defined in Code section 414(p)). The Committee shall establish reasonable written procedures to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders.

15.3 No Guarantee of Employment
Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of the Company or an Affiliate or to interfere with the right of the Company or an Affiliate to discharge or retire any Employee at any time.

15.4 Applicable Law
To the extent not preempted by ERISA, the Plan shall be governed by and construed according to the laws of South Carolina.

15.5 Severability
If a provision of this Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in this Plan.

15.6 Rights to Trust Assets

No Employee or Beneficiary shall have any right to, or interest in, any assets of the Trust Fund upon termination of employment or otherwise, except as specifically provided under the Plan, and then only to the extent of the benefits payable under the Plan to the Employee or Beneficiary out of the assets of the Trust Fund. All payments of benefits under this Plan shall be made solely out of assets of the Trust Fund, and the Employers, the Affiliates, or any fiduciary shall not be liable therefor in any manner.

15.7 Military Service

Effective December 12, 1994, and notwithstanding any other provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with the mandatory provisions of Code section 414(u).

15.8 Titles

The titles of sections are included only for convenience and shall not be construed as part of this Plan or in any respect affecting or modifying its provisions.

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In Witness Whereof, the authorized officers of the Company have signed this document and have affixed the corporate seal on February16, 2022, effective as of January 1, 2022.

Sonoco Products Company

By: /s/John Florence .

John Florence, VP, General Counsel, Secretary and VP, Human Resources

Attest:

By: /s/Julie Albrecht
Julie Albrecht, VP and Chief
Financial Officer

(CORPORATE SEAL)

Appendix A. Participating Employers

The table below lists each Affiliate of the Company that has become a participating Employer in accordance with section 14.1. The adoption dates listed below represent the effective date for each Affiliate's participation. However, because of multiple business restructurings, the adoption dates shown below do not necessarily represent the participation dates for individual Members currently employed by each Affiliate.

(The effective dates of Plan coverage for various groups of collectively-bargained Employees are listed in Appendix B and Appendix C.)

Affiliate	**Adoption Date**	
	Plan Provisions (Except Retirement Contributions)	**Plan Provisions Related to Retirement Contributions**
Georgia Paper and Tube, Inc.	April 1, 2002	January 1, 2004
Hayes Manufacturing Group, Inc.	January 1, 2002	January 1, 2004
Sonoco Development, Inc.	January 1, 1999	January 1, 2004
Sonoco Flexible Packaging, Inc.	January 1, 1997	January 1, 2004 (or January 1, 2006 for Employees of Waco Flexibles)
Sonoco-Hutchinson, Inc.	November 1, 2001	January 1, 2004
Sonoco Paperboard Group, LLC	January 1, 1997	January 1, 2004
Sonoco Phoenix, Inc.	January 1, 2002	January 1, 2004
Sonoco Recycling, Inc.	January 1, 1981	January 1, 2004 (or January 1, 2005 for Employees of Paperstock Dealers, Savannah)
Sonoco SPG Inc.	January 1, 1997	January 1, 2004
Sonoco Sustainability Solution	January 1, 2010	January 1, 2010
Southern Plug & Mfg, Inc.	January 1, 1999	January 1, 2004
SPC Resources, Inc.	January 1, 1992	January 1, 2004
U.S. Paper Mills Corporation	January 1, 2002	January 1, 2004
Trident Graphics NA, LLC	January 1, 1997	January 1, 2004 (or January 1, 2006 for Employees of Keating Gravure)
Sonoco CorrFlex Display & Pack	January 1, 2005	January 1, 2007
Sonoco CorrFlex D&P, LLC	January 1, 2005	January 1, 2007

Affiliate	Adoption Date	
	Plan Provisions (Except Retirement Contributions)	**Plan Provisions Related to Retirement Contributions**
Sonoco CorrFlex LLC	January 1, 2005	January 1, 2007
Sonoco Clear Pack	July 1, 2008	July 1, 2008
Sonoco Plastics, Inc. APT Locations	January 1, 2011	January 1, 2011
Columbus location	January 1, 2007	January 1, 2007
Hanover location	January 1, 1995	January 1, 2004
Matrix Packaging, Inc. CA	January 1, 2010 (except as noted below) – Closure of location in 2016	January 1, 2010 (except as noted below) – Closure of location in 2016
Matrix Packaging, Inc. IL locations	January 1, 2010 (except as noted below) – Closure of location in 2016	January 1, 2010 (except as noted below) – Closure of location in 2016
Matrix Packaging, Inc. MO locations	January 1, 2010 (except as noted below) – Closure of location in 2016	January 1, 2010 (except as noted below) – Closure of location in 2016
Sonoco Crellin locations	January 1, 1995	January 1, 2004
Wausau location	January 1, 2010 (except as noted below) – Closure of location in 2012	January 1, 2010 (except as noted below) – Closure of location in 2012
Winchester location	January 22, 1996	January 1, 2004
Tegrant Corporation	January 1, 2013	January 1, 2013
Dalton Paper Products	January 1, 2015	January 1, 2015
Sonoco Hickory, Inc. (formerly known as Plastic Packaging, Inc.)	January 1, 2017	Not eligible
Sonoco Elk Grove, Inc. (formerly known as Clear Lam Packaging, Inc.)	January 1, 2018	Not eligible
Peninsula Packaging Company	January 1, 2018	Not eligible
Highland Packaging Solutions, Inc.	January 1, 2019	January 1, 2019
Conitex Sonoco, Inc. (US-based employees only)	January 1, 2019	January 1, 2019

Affiliate	**Adoption Date**	
	Plan Provisions (Except Retirement Contributions)	**Plan Provisions Related to Retirement Contributions**
Conitex Sonoco US, Inc. (US-based employees only)	January 1, 2019	January 1, 2019
Corenso Holdings America Inc.	January 1, 2020	January 1, 2020
Sebro Plastics, Inc.	January 1, 2021	January 1, 2021

Additional Provisions

Nonunion Eligible Employees of Matrix Packaging, Inc. CA, Matrix Packaging, Inc., IL, or Matrix Packaging, Inc. MO who are compensated on an hourly basis shall be subject to the following:

(a) Such Employees can make Before-Tax Contributions, Roth Contributions, and After-Tax Contributions under section 5.2, but the total amount contributed across all three contribution types is limited to 30 percent of Compensation until January 1, 2015; thereafter, the limits are increased to 100 percent of Compensation as of the first payroll period in 2015;

(b) Effective with the first payroll paid in 2015 (including amounts earned in 2014 and 2015), such Employees are eligible for Matching Contributions under section 5.3, prior to that payroll period such Employees were not eligible for Matching Contributions under section 5.3; and

(c) Such Employees are not eligible for Retirement Contributions under section 5.4.

(d) Matrix Employees who were terminated on or about November 7, 2016 as part of the divestiture described in the "ASSET PURCHASE AGREEMENT dated as of September 1, 2016 by and among SONOCO PLASTICS, INC., SONOCO PLASTICS CANANDA ULC, SONOCO DEVELOPMENT, INC, SONOCO PRODUCTS COMPANY, AMCOR RIGID PLASTICS USA, LLC and AMCORPACKAGING CANADA, INC." and who are otherwise eligible to earn Retirement Contributions, are entitled to a prorated Retirement Contribution for the period beginning on January 1, 2016 and ending on November 7, 2016. Notwithstanding anything in this Plan to the contrary, individuals described in the foregoing sentence shall be 100% vested in all of the Accounts in this Plan effective as of their date of Separation from Service.

In addition, nonunion Eligible Employees of the Wausau location who are compensated on an hourly basis are eligible for (i) Matching Contributions under section 5.3, but only with respect to Before-Tax Contributions made on and after April 1, 2011 and Roth Contributions made on and after January 1, 2013. and (ii) Retirement Contributions under section 5.4, but only with respect to Compensation earned on and after April 1, 2011. Note that this location closed in 2012 and no further contributions may be made to the Plan for these Employees after the date of the closure (other than with respect to Compensation earned prior to the closure).

Appendix B. Collectively-Bargained Participants—Plan Benefits Other than Retirement Contributions

The table below lists each group of collectively-bargained Employees who qualify as Eligible Employees with respect to Plan benefits other than Retirement Contributions under Plan section 2.15(d)(1). The table also includes the date on which Plan provisions related to Plan benefits other than Retirement Contributions took effect for each covered bargaining unit and any variations in the standard Plan terms and features (as they relate to Plan benefits other than Retirement Contributions) that apply to Eligible Employees of each such bargaining unit.

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Edinburgh/Chicago & Midwest Regional Joint Board Affiliate of Workers/United, SEIU	May 1, 1999	Follows the standard Plan	**Amount:** \$0.50 per \$1.00 on first 6% of Compensation contributed as Before-Tax Contributions or Roth Contributions (Per the labor agreement, if the Matching Contribution under the standard Plan is increased to a level that exceeds the Matching Contribution described above, the higher standard Plan match will apply.) **True-Up Match:** Plan section 5.3(b) does not apply	**Eligibility:** Attain age 21 and complete one Year of Eligibility Service (defined as 1,000 Hours of Service in either the first year of employment or in any subsequent Plan Year) **Amount:** 3.50% of Compensation, provided Participant earns at least 1,000 Hours of Service during Plan Year **Vesting:** Collectively-Bargained Non-Elective Employer Contributions are subject to the vesting provisions described in Plan sections 3.2 and 7.4	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Franklin/Graphic Communications International Union Local 508M		Follows the standard Plan	**Amount:** \$0.50 per \$1.00 on first 6% of Compensation contributed as Before-Tax Contributions or Roth Contributions **True-Up Match:** Plan Section 5.3(b) does not apply	**Amount: Effective March 22, 2018:** \$0.95 per hour paid (no hourly maximum) **Effective June 1, 2014 through March 21, 2018:** \$0.85 per hour paid if hired before March 22, 1998; \$0.85 per hour paid (not to exceed 2,200 hours per Plan Year) if hired on or after March 22, 1998 **Prior to June 1, 2014,** \$0.85 per hour paid if hired before March 22, 1998; \$0.70 per hour paid (not to exceed 2,080 hours per Plan Year) if hired on or after March 22, 1998 **Vesting:** Collectively-Bargained Non-Elective Employer Contributions are subject to the vesting provisions described in Plan sections 3.2 and 7.4	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
USPMC – DePere/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1517	January 1, 2004	**Contribution Limits:** Before-Tax: Prior to March 22, 2021: 1% to 30% of Compensation On and after March 22, 2021: 1% to 100% of Compensation Roth: Prior to March 22, 2021: Not permitted. On and after March 22, 2021: permitted After-Tax: 1% to 30% of Compensation Combined Before-Tax and After-Tax: Up to 30% of Compensation **Automatic Enrollment:** Prior to June 15, 2017, Plan section 5.7(b) does not apply. Effective June 15, 2107, Plan section 5.7(b) applies to employees hired on and after June 15, 2017, with the percentage being 6%.	**Amount:** $0.50 per $1.00 on first 6% of Compensation contributed as Before-Tax Contributions **True-Up Match:** Prior to March 22, 2021: Plan section 5.3(b) does not apply. On and after March 22, 2021: Plan section 5.3(b) does apply	**Amount:** 4.00% of Compensation **Vesting:** Collectively-Bargained Non-Elective Employer Contributions are subject to the vesting provisions described in Plan sections 3.1 and 7.4	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Sumner/Association of Western Pulp and Paper Workers Local 28	January 1, 2004	**Contribution Limits from January 1, 2004 through September 30, 2015:** Before-Tax: 1% to 30% of Compensation Roth: 1% to 30% of Compensation After-Tax: 1% to 30% of Compensation Combined Before-Tax, Roth, and After-Tax: Up to 30% of Compensation **Automatic Enrollment:** Follows the standard Plan, Contribution limits follow the standard plan terms on and after October 1, 2015.	Follows the standard Plan Effective for Compensation paid after December 31, 2021, the amount is $0.50 per $1.00 on first 4% of Compensation contributed as Before-Tax Contributions.”	None	None
Richmond/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union—AFL-CIO-CLC, Local 747	July 1, 2004	Follows the standard Plan	Follows the standard Plan	None	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
USPMC – Menasha/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 273	July 1, 2006	Contribution Limits: Before-Tax: 1% to 30% of Compensation Roth: Not permitted After-Tax: 1% to 30% of Compensation Combined Before-Tax and After-Tax: Up to 30% of Compensation **Automatic Enrollment:** Plan section 5.7(b) applies to employees hired on and after April 1, 2017, with the percentage being 6%.	**Amount:** $0.50 per $1.00 on first 6% of Compensation contributed as Before-Tax Contributions **True-Up Match:** Plan section 5.3(b) does not apply **Vesting:** Matching Contributions are subject to the vesting provisions described in Plan sections 3.1 and 7.2(b)(1)	**Eligibility:** Immediately following completion of 60-day union probationary period **Amount: Effective May 19, 2011**, 4% of Compensation. **Prior to May 19, 2011**, 5.5% of Compensation if date of birth is before January 1, 1940; 4.0% of Compensation if date of birth is on or after January 1, 1940 **Vesting:** Collectively-Bargained Non-Elective Employer Contributions are subject to the vesting provisions described in Plan sections 3.1 and 7.4	**Contribution during Period of Disability:** After 14 days of disability, Employer continues Participant contributions for up to 26 weeks at a rate equal to the Participant's average contribution rate over 24-week period preceding disability. This provision was eliminated effective [DATE].
Norwalk / Los Angeles/District Council No. 2 Affiliated with the International Brotherhood of Teamsters	July 1, 2006	**Contribution Limits:** Before-Tax: 1% to 30% of Compensation Roth: Not permitted After-Tax: 1% to 30% of Compensation Combined Before-Tax and After-Tax: Up to 30% of Compensation	**Amount:** $0.50 per $1.00 on first 4% of Compensation contributed as Before-Tax Contributions Effective for Compensation earned after December 31, 2021, Employer Match contributions follow the standard plan	None	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Caraustar – Orville, OH/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 1-150	October 1, 2007 – September 2, 2011	**Contribution Limits:** Before-Tax: 1% to 30% of Compensation Roth: Not permitted After-Tax: 1% to 30% of Compensation Combined Before-Tax and After-Tax: Up to 30% of Compensation **Automatic Enrollment:** Plan section 5.7(b) does not apply	**Amount:** $0.50 per $1.00 on first 6% of Compensation contributed as Before-Tax Contributions **True-Up Match:** Plan section 5.3(b) does not apply **Vesting:** Matching Contributions are subject to the vesting provisions described in Plan sections 3.1 and 7.2(b)(2)	None	None
New Albany, IN/Bakery, Confectionary, Tobacco Workers and Grain Millers (BCTGM), Local 33G	January 1, 2008	Follows the standard Plan	No Matching Contributions under Plan section 5.3	None	None
Clear Pack/Teamsters Local #777	January 1, 2009	Follows the standard Plan	**Amount:** 1.00 per $1.00 on first 3% of Compensation contributed as Before-Tax Contributions; plus $0.50 per $1.00 on next 2% of Compensation contributed as Before-Tax Contributions **True-Up Match:** Plan section 5.3(b) does not apply	None	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Carrollton/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union—AFL-CIO-CLC	May 5, 2009	Follows the standard plan	**Amount:** 1.00 per $1.00 on first 3% of Compensation contributed as Before-Tax Contributions; plus $0.50 per $1.00 on next 2% of Compensation contributed as Before-Tax Contributions **True-Up Match:** Plan section 5.3(b) does not apply	None	None
Memphis— Ragan Street/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, Local 9-1274	July 1, 2010	Follows the standard Plan	Follows the standard Plan	None	None
Forest Park/Bakery, Confectionary, Tobacco and Grain Millers International Union, Local 42, Atlanta, GA	January 1, 2011	Follows the standard Plan	No Matching Contributions under Plan section 5.3 until January 1, 2017. Effective January 1, 2017, follows the standard Plan.	None	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Butner, NC/International Union of Operating Engineers, Local #465	January 1, 2013	**Contribution Limits:** Before-Tax: 1 to 25% of Compensation Roth: 1 to 25% of Compensation After-Tax: 1 to 25% of Compensation Combined Before-Tax, Roth, and After-Tax: Up to 25% of Compensation **Automatic Enrollment:** Plan section 5.7(b) applies to employees hired on and after January 1, 2014	**Amount:** $1.00 per $1.00 on the first 5% of Compensation contributed as Before-Tax Contributions or Roth Contributions **True-Up Match:** Plan section 5.3(b) does not apply	None on or after December 1, 2007 (Nonelective employer contributions made before December 1, 2007 under the Tegrant Investment and Retirement Plan are subject to the vesting provisions described in Plan sections 3.1 and 7.4.)	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Hayward, CA/International Association of Machinists and Aerospace Workers Union, Local #1546 (Maintenance Employees)	January 1, 2013	**Contribution Limits:** Before-Tax: 1 to 25% of Compensation Roth: 1 to 25% of Compensation After-Tax: 1 to 25% of Compensation Combined Before-Tax, Roth, and After-Tax: Up to 25% of Compensation **Automatic Enrollment:** Plan section 5.7(b) applies with an automatic enrollment amount of 1%	**Amount:** $1.00 per $1.00 on the first 5% of Compensation contributed as Before-Tax Contributions or Roth Contributions **True-Up Match:** Plan section 5.3(b) does not apply	None on or after October 1, 2008 (Nonelective employer contributions made before October 1, 2008 under the Tegrant Investment and Retirement Plan are subject to the vesting provisions described in Plan sections 3.1 and 7.4.)	None

Hayward, CA/Teamsters Union, IBT Local #853 (Production Employees)	January 1, 2013	Contribution Limits: Before-Tax: 1 to 25% of Compensation Roth: 1 to 25% of Compensation After-Tax: 1 to 25% of Compensation Combined Before-Tax, Roth, and After-Tax: Up to 25% of Compensation **Automatic Enrollment:** Individuals who commenced employment in the bargaining unit (or who were reemployed in the bargaining unit) on or after January 1, 2008, and before June 1, 2016 are enrolled automatically under section 5.7(b) at a Before-Tax Contribution rate of 1% of Compensation. Individuals who commenced employment in the bargaining unit (or who were reemployed in the bargaining unit) on or after June 1, 2016 are enrolled automatically under section 5.7(b) at a Before-Tax Contribution rate of 3% of Compensation.	**Amount:** $1.00 per $1.00 on the first 5% of Compensation contributed as Before-Tax Contributions or Roth Contributions **True-Up Match:** Plan section 5.3(b) does not apply	None on or after September 1, 2007 (Nonelective employer contributions made before September 1, 2007 under the Tegrant Investment and Retirement Plan are subject to the vesting provisions described in Plan sections 3.1 and 7.4.)	None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Hutchinson/ United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local #1350	July 1, 2015	**Contribution Limits:** Before-tax or Roth: 100% of Compensation **Automatic Enrollment:** Plan section 5.7(b) does not apply.	No Matching Contributions under Plan section 5.3	None	None
Pardeeville, WI/United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local #851 **Note:** This union group voted to decertify effective July 6, 2021. The group retained the union benefits described herein through December 31, 2021. Effective January 1, 2022, this group receives standard, nonunion benefits under the Plan.	January 1, 2013	Effective January 1, 2022, follows standard plan for nonunion Members. Prior to January 1, 2022, the following provisions applied: **Contribution Limits:** Before-Tax: 1 to 25% of Compensation Roth: 1 to 25% of Compensation After-Tax: 1 to 25% of Compensation Combined Before-Tax, Roth, and After-Tax: Up to 25% of Compensation **Automatic Enrollment:** Bargaining unit employees are enrolled automatically under section 5.7(b) at a Before-Tax Contribution rate of 2% of Compensation	Effective January 1, 2022, follows standard plan for nonunion Members. Prior to January 1, 2022, the following provisions applied: **Amount:** $1.00 per $1.00 on the first 5% of Compensation contributed as Before-Tax Contributions or Roth Contributions **True-Up Match:** Plan section 5.3(b) does not apply	Effective January 1, 2022, follows standard plan for nonunion Members. Prior to January 1, 2022, the following provisions applied: None on or after November 1, 2008. (Nonelective employer contributions made before September 1, 2007 under the Tegrant Investment and Retirement Plan are subject to the vesting provisions described in Plan sections 3.1 and 7.4.)	Effective January 1, 2022, follows standard plan for nonunion Members. Prior to January 1, 2022, the following provisions applied: None

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Montgomeryville, PA/Laborers Local #332	December 14, 2015 (when Members unionized, Members may have accrued non-union benefits prior to unionizing)	Follows the standard Plan	Follows the standard Plan. Changes to the match formula in the standard Plan apply to this group.	None	None
Corenso/Office & Professional Employees' Union Local #39	January 1, 2020	Follows the standard Plan but uses Corenso Compensation plus profit-sharing bonuses	Amount: $0.25 per $1.00 on first 6% of Corenso Compensation through 12/31/2020. On and after 1/1/2021: $0.30 per $1.00 on first 6% of Corenso Compensation. Catch-Up Contributions: Eligible for matching contributions	Amount: 6% of base wages + overtime	Participation Eligibility: The 90th calendar day after the member's first day of employment After-Tax Contributions: Not eligible
Corenso/United Steel, Paper & Forestry, Rubber, Mfg, Energy, Allied-Ind and Service Workers Int'l Union Local #2-94/2-187	January 1, 2020	Follows the standard Plan but uses Corenso Compensation plus profit-sharing bonuses	**Amount:** $0.25 per $1.00 on first 6% of Corenso Compensation through 12/31/2020. On and after 1/1/2021: $0.30 per $1.00 on first 6% of Corenso Compensation. **Catch-Up Contributions:** Eligible for matching contributions	**Amount:** $1.25 per hour worked	**Participation Eligibility:** The 40th calendar day after the member's first day of employment **After-Tax Contributions:** Not eligible

Location/Union	Effective Date of Plan Coverage	Employee Contributions	Employer Match	Collectively-Bargained Nonelective Employer Contributions	Other Variations to Standard Plan Terms
Corenso/International Assoc of Machinists and Aerospace Workers Local #655	January 1, 2020	Follows the standard Plan but uses Corenso Compensation plus profit-sharing bonuses	**Amount:** \$0.25 per \$1.00 on first 6% of Corenso Compensation. **Catch-Up Contributions:** Eligible for matching contributions	**Amount:** 5% of base wages. Effective April 1, 2021, 5% of base wages + overtime.	**Participation Eligibility:** The 90th calendar day after the member's first day of employment **After-Tax Contributions:** Not eligible
Corenso/International Brotherhood of Electrical Workers Local #1147	January 1, 2020	Follows the standard Plan but uses Corenso Compensation plus profit-sharing bonuses	**Amount:** \$0.25 per \$1.00 on first 6% of Corenso Compensation. **Catch-Up Contributions:** Eligible for matching contributions	**Amount:** 6% of base wages. Effective April 1, 2021, 6% of base wages + overtime.	**Participation Eligibility:** The 90th calendar day after the member's first day of employment **After-Tax Contributions:** Not eligible
Corenso/United Association of Journeymen & Apprentices of the Plumbing & Pipefitting Ind. Local #434	January 1, 2020	Follows the standard Plan but uses Corenso Compensation plus profit-sharing bonuses	**Amount:** \$0.25 per \$1.00 on first 6% of Corenso Compensation. **Catch-Up Contributions:** Eligible for matching contributions	**Amount:** 5% of base wages. Effective April 1, 2021, 5% of base wages + overtime.	**Participation Eligibility:** The 90th calendar day after the member's first day of employment **After-Tax Contributions:** Not eligible

Appendix C. Collectively-Bargained Participants—Plan Provisions Related to Retirement Contributions

The table below lists each group of collectively-bargained Employees who qualify as Eligible Employees with respect to Retirement Contributions under Plan section 2.15(d)(2). The table also includes the date on which Plan provisions related to Retirement Contributions took effect for each covered bargaining unit.

Affiliate/Location	Union	Effective Date of Retirement Contribution Provisions
Carrollton	United Steel, Paper and Forestry, Rubber Manufacturing, Energy, Allied Industrial and Service Workers Union, AFL-CIO-CLC	Bargaining unit employees hired on and after January 1, 2004 Bargaining unit employees hired before January 1, 2004 will be covered by the Retirement Contribution provisions of this Plan on— January 1, 2010 if they elected to freeze accruals under the Sonoco Pension Plan as of December 31, 2009; or January 1, 2019 if they elect to continue accruals under the Sonoco Pension Plan through December 31, 2018 (and are still in active employment on January 1, 2019) Retirement contributions shall be made at the standard amount in effect on January 1, 2015 and shall not be modified unless and until the collective bargaining agreement in effect on January 1, 2015 is modified, even if the standard amount is amended in the Plan for other employees
Caraustar/St. Paris, Ohio	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial, and Service Workers International Union—Local #1467	October 1, 2007 – March 13, 2009
Clear Pack	Teamsters Local #777	July 1, 2008 Retirement contributions shall be made at the standard amount in effect on January 1, 2015 and shall not be modified unless and until the collective bargaining agreement in effect on January 1, 2015 is modified, even if the standard amount is amended in the Plan for other employees

Affiliate/Location	Union	Effective Date of Retirement Contribution Provisions
City of Industry	Sonoco Products Company City of Industry and Graphic Communications Union District Council No. 2, Local 388M	Bargaining unit employees hired on and after January 1, 2010 Bargaining unit employees hired before January 1, 2010 will be covered by the Retirement Contribution provisions of this Plan on January 1, 2010 if they elected to freeze accruals under the Sonoco Pension Plan as of December 31, 2009 Effective for Compensation paid after December 31, 2021, no Retirement Contributions will be paid for this collective bargaining group
Richmond	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union—AFL-CIO-CLC, Local 747	Bargaining unit employees hired on and after January 1, 2010 Bargaining unit employees hired before January 1, 2010 will be covered by the Retirement Contribution provisions of this Plan as of January 1, 2011 if they elected to freeze accruals under the Sonoco Pension Plan as of December 31, 2010 Effective for Compensation paid after December 31, 2021, no Retirement Contributions will be paid for this collective bargaining group
Norwalk/Los Angeles	District Council No. 2 Affiliated with the International Brotherhood of Teamsters	Bargaining unit employees hired on and after January 1, 2012 Bargaining unit employees hired before January 1, 2012 will be covered by the Retirement Contribution provisions of this Plan as of January 1, 2012 if they elected to freeze accruals under the Sonoco Pension Plan as of December 31, 2011 Effective for Compensation paid after December 31, 2021, no Retirement Contributions will be paid for this collective bargaining group
Sumner, WA	Association of Western Pulp and Paper Workers, Local 28	Bargaining unit employees hired on and after January 13, 2016 Bargaining unit employees hired before January 13, 2016 will be covered by the Retirement Contribution provisions of this Plan on January 1, 2017 if they elected to freeze accruals under the Sonoco Pension Plan as of December 31, 2016.
Montgomeryville, PA	Laborers Local #332	December 14, 2015 Effective for Compensation paid after December 31, 2021, no Retirement Contributions will be paid for this collective bargaining group

Exhibit 10.9

Omnibus Benefit Restoration Plan of Sonoco Products Company

Amended and Restated as of January 1, 2022

Contents

Article 1. Introduction

1.1 Background and History

Sonoco Products Company (the “Company”) previously established and presently maintains the Omnibus Benefit Restoration Plan of Sonoco Products Company (the “Plan”). The Plan was initially effective as of January 1, 1979 and was last amended and restated effective as of January 1, 2015.

1.2 Restatement of Plan

Effective as of January 1, 2022, the Company hereby amends and restates the Plan primarily to incorporate previous amendments to—

(a) restore the Plan’s forfeiture provision (effective January 1, 2008);

(b) eliminate the level income annuity as an optional form of payment (effective January 1, 2010 with respect to certain benefits payable under Articles 3 and 4, and effective January 1, 2013 with respect to certain benefits payable under Article 7);

(c) provide for Participant-directed investment of DC Restoration Account balances (effective December 15, 2010);

(d) grant amendment authority to the Vice President of Human Resources for matters that do not materially impact the Plan’s eligibility provisions, benefit amounts, or costs (effective October 1, 2011);

(e) reflect the establishment of the Sonoco Retirement Savings Plan through the merger of the Sonoco Investment Retirement Plan into the Sonoco Savings Plan (effective January 1, 2013); and

(f) freeze the Executive Benefit under Article 3 as of December 31, 2018 and extend the DC SERP Benefit to participants affected by such freeze as of January 1, 2019.

(g) end credits made with respect to section 5.2(b) after the 2021 Plan Year credit is made and add new contribution as section 5.7 effective for Eligible Compensation earned after December 31, 2021.

1.3 Purpose and Applicability of the Plan

The purpose of this Plan is to—

(a) Provide certain eligible employees with supplemental retirement income; and

(b) Restore to certain eligible employees benefits that may be lost or curtailed under the Company’s broad-based qualified retirement plans as a result of limits imposed on such benefits under the Internal Revenue Code.

The Plan is intended to be a nonqualified deferred compensation arrangement for eligible employees who are members of a “select group of management or highly compensated employees” within the meaning of ERISA section 201(2). The Plan, therefore, is intended to be exempt from the participation, funding, and fiduciary requirements of Title I of ERISA.

The provisions of this Plan are generally applicable only to eligible employees who are employed by the Company or an Affiliate on and after January 1, 2022. Unless otherwise provided in a retroactively effective provision of this restatement, any person who was covered by the Plan as in effect before January 1, 2022, and who had a Separation from Service before that date, shall continue to be covered by the provisions of this Plan as in effect upon his or her Separation from Service.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below, unless otherwise expressly provided; and when the defined meaning is intended, the term is capitalized.

2.1 Actuarial Equivalent

"Actuarial Equivalent" means the following:

(a) **General Rule.** Actuarial Equivalent means a benefit having the same value as the benefit which it replaces, computed on the basis of—

(1) the 1984 Unisex Pension Mortality Table, with no age setback for Participants and a three-year age setback for beneficiaries; and

(2) interest at 9 percent compounded annually.

(b) **Lump Sum Payments.** Notwithstanding section 2.1(a), the value of a lump sum payment calculated under section 10.3(a)(1) and 10.3(b) shall be computed on the basis of—

(1) the mortality table specified in section 2.1(a)(1); and

(2) an interest rate equal to the discount rate used to compute FASB ASC 715 costs under the Qualified Pension Plan for the Plan Year immediately preceding the Plan Year in which the distribution occurs, as stated each year in the Company's annual report to shareholders.

2.2 Affiliate

"Affiliate" means—

(a) any corporation while it is a member of the same controlled group of corporations (within the meaning Code section 414(b) as the Company); and

(b) any other trade or business (whether or not incorporated) while it is under common control with the Company (within the meaning of Code section 414(c)).

2.3 Beneficiary

"Beneficiary" means the person or persons designated by the Participant to receive any benefits that become payable under this Plan on account of the Participant's death under:

(a) Section 3.6(a), regarding survivor payments that may become due if the Participant elected to receive his or her Net Executive Restoration Benefit in one of the optional forms of payment described therein;

(b) Section 3.6(b), regarding survivor payments that may become due if the Participant's Net Executive SERP Benefit was being distributed in the form of a Ten-Year Certain and Life Annuity or three annual installments at the time of his or her death);

(c) Section 4.5(b), regarding survivor payments that may become due if the Participant elects to receive his or her DB Restoration Benefit in one of the optional forms of payment described therein;

(d) Section 5.6, regarding the vested portion of a Participant's DC Restoration Account that remains unpaid at the time of the Participant's death;

(e) Section 6.6, regarding the vested portion of a Participant's DC SERP Benefit that remains unpaid at the time of the Participant's death; and

(f) Section 7.2(d), regarding survivor payments that may become due with respect to a Qualified Pension Plan enhancement payable under an individual Participation Agreement (depending on the form of payment in effect under such section).

A Participant's Beneficiary shall be the person or persons designated by the Participant to receive the benefits described in section 2.3(a) through (f) above. This designation shall be made at a time and in a manner prescribed by the Committee. If the Participant fails to designate a Beneficiary, or if the person named by the Participant as his or her Beneficiary is not living as of the date that a benefit becomes payable, the Participant's Beneficiary shall be the Participant's surviving spouse; or if there is no surviving spouse, the Participant's estate.

(With respect to the preretirement death benefits that may become payable under section 3.7 or 4.6, the only permissible Beneficiary under this Plan is the Participant's surviving spouse.)

2.4 Board
"Board" means the Board of Directors of the Company.

2.5 Code
"Code" means the Internal Revenue Code of 1986, as amended, or as it may be amended from time to time. A reference to a section of the Code shall also be deemed to refer to the regulations and other guidance promulgated under that section.

2.6 Committee
"Committee" means the Benefits Committee which shall have primary responsibility for administering the Plan under Article 8.

2.7 Company
"Company" means Sonoco Products Company or any successor thereto that agrees to adopt and continue this Plan.

2.8 Company Stock
"Company Stock" means the Company's no par value common stock.

2.9 DB Restoration Benefit

"DB Restoration Benefit" means the benefit that is intended to provide benefits that would have been provided under the Qualified Pension Plan or the Pension Plan for Inactive Participants (as applicable) without regard to the limits in effect under Code sections 401(a)(17) and 415, as determined under Article 4.

2.10 DC Restoration Account

"DC Restoration Account" means the bookkeeping account maintained by the Company which represents the total benefits accumulated by a Participant under Article 5. A Participant's DC Restoration Account shall be comprised of the following subaccounts:

(a) **Company Match Restoration Account** means the portion of the Participant's DC Restoration Account that evidences the value of benefits accumulated by the Participant under section 5.2(a), including any gains and losses attributable to such benefits, as determined under section 5.3.

(b) **Retirement Contribution Restoration Account** means the portion of the Participant's DC Restoration Account that evidences the value of benefits accumulated by the Participant under section 5.2(b), including any gains and losses attributable to such benefits, as determined under section 5.3. No credits will be made after the 2021 Plan Year credit is made.

(c) **Restoration Contribution on Eligible Compensation above the annual Social Security Wage Base** means the portion of the Participant's DC Restoration Account that evidences the value of benefits accumulated by the Participant under section 5.7, including any gains and losses attributable to such benefits, as determined under section 5.3.

2.11 DC SERP Account

"DC SERP Account" means the bookkeeping account maintained by the Company that evidences the portion of an eligible Participant's DC SERP Benefit that is determined under section 6.2(a)(1), including the investment gains that are allocated to such account under section 6.3(a).

2.12 DC SERP Benefit

"DC SERP Benefit" means the benefit determined under Article 6, comprised of both a Participant's DC SERP Account and a Participant's Restricted Stock Units.

2.13 Eligible Compensation

"Eligible Compensation" means the compensation used to determine the amount of a Participant's benefits under Article 3 (regarding the Executive Benefit), Article 5 (regarding the DC Restoration Account) and Article 6 (regarding the DC SERP Benefit).

(a) **General Rule.** Except as otherwise provided in sections 2.13(b) and (c) below, "Eligible Compensation" means the sum of the total base salary received by the

Participant for the Plan Year and any annual bonus earned by the Participant for the Plan Year (even if such bonus is actually paid in a subsequent year).

(b) **DC Restoration Account.** For the purpose of determining amounts to be credited to a Participant's DC Restoration Account under Article 5 for a Plan Year, "Eligible Compensation" means the Participant's compensation that is used in calculating contributions under the Retirement and Savings Plan for the same Plan Year, but determined without regard to the limit imposed on such compensation by Code section 401(a)(17).

(c) **Special Rule for Last Year of Employment.** When calculating Final Average Pay under section 2.18 for a Participant who incurs a Separation from Service before the last day of the Plan Year, Eligible Compensation for this final partial Plan Year of employment shall equal the sum of—

(1) the base salary actually paid to the Participant for such Plan Year for employment before his or her Separation from Service;

(2) the additional base salary the Participant would have received had he or she remained in active employment for the period beginning on the date of his or her Separation from Service and ending on the next following December 31 (at the same rate of base salary as in effect immediately prior to such Separation from Service); and

(3) the annual bonus actually earned by Participant for such Plan Year for employment before his or her Separation from Service (even if such bonus is actually paid in a subsequent year). However, if such annual bonus has not been determined as of the Participant's benefit commencement date, the annual bonus that will be treated as part of the Participant's Eligible Compensation for his or her last partial Plan Year of employment shall equal the Participant's target bonus percentage for such year multiplied by the base salary actually paid to the Participant for such year for employment before his or her Separation from Service.

2.14 Employee

"Employee" means any person who is employed by the Company or an Affiliate, other than a person who is retained as an independent contractor, a leased employee (as determined under the Company's or an Affiliate's customary worker classification procedures), or a non-employee member of the Board.

2.15 Employer

"Employer" means the Company and each Affiliate that has been designated as an Employer under this Plan in accordance with section 9.5.

2.16 ERISA
"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or as it may be amended from time to time. A reference to a particular section of ERISA shall also be deemed to refer to the regulations and other guidance promulgated under that section.

2.17 Executive Benefit
"Executive Benefit" means the benefit determined under Article 3, comprised of both a Participant's Net Executive Restoration Benefit and Net Executive SERP Benefit.

2.18 Final Average Pay
"Final Average Pay" is used to determine an eligible Participant's Gross Executive SERP Benefit under section 2.21. "Final Average Pay" means the monthly average of the Eligible Compensation earned by the Participant for any three Plan Years of employment (regardless of whether such years are consecutive), selected from the last seven full Plan Years of employment (and the final partial Plan Year of employment for a Participant whose Separation from Service occurs on a date other than December 31), that produces the highest average. If a Participant has fewer than three complete Plan Years of Eligible Compensation after annualizing the final year in accordance with section 2.13(c), Final Average Pay shall be determined by averaging all Eligible Compensation received by the Participant over his or her whole and partial years of employment with the Company and its Affiliates.

Notwithstanding any provision in this Plan to the contrary, for a Participant who incurs a Separation from Service after December 31, 2018, Final Average Pay shall be determined as if the Participant incurred a Separation from Service on December 31, 2018 and shall not be adjusted to reflect Eligible Compensation that may be earned by the Participant after such date.

2.19 Five-Year Certain and Life Annuity
"Five-Year Certain and Life Annuity" means a monthly retirement benefit payable to the Participant for life, and if the Participant dies before receiving 60 monthly payments, such payments shall continue to the Beneficiary until a total of 60 payments have been made.

2.20 Gross Executive Restoration Benefit
"Gross Executive Restoration Benefit" is used in the calculation of the Net Executive Restoration Benefit and shall be determined in accordance with section 3.5(b).

2.21 Gross Executive SERP Benefit
"Gross Executive SERP Benefit" is used in the calculation of the Executive Benefit under Article 3. An eligible Participant's Gross Executive SERP Benefit is expressed as a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date and shall equal the product of (a) and (b) where—

(a) is 4 percent of the Participant's Final Average Pay multiplied by his or her Years of Benefit Service (but not to exceed 15 years); and

(b) is a fraction having a numerator equal to the Participant's Years of Benefit Service and a denominator equal to the Years of Benefit Service the Participant would have earned had he or she continued in the employment of an Employer through his or her Normal Retirement Date.

Notwithstanding the above, for a Participant who incurs a Separation from Service after December 31, 2018, the amount determined under section 2.21(a) shall be based only upon the Participant's Final Average Pay and Years of Benefit Service as of December 31, 2018 and shall not be adjusted in any manner to reflect Eligible Compensation and Years of Benefit Service for employment with the Company or its Affiliates after such date. In addition, for a Participant who incurs a Separation from Service after December 31, 2018, the numerator of the fraction described in section 2.21(b) shall include only those Years of Benefit Service earned as of December 31, 2018 and the denominator of such fraction shall equal the Years of Benefit Service the Participant would have earned had the Participant continued to earn Years of Benefit Service until his or her Normal Retirement Date.

2.22 Joint and 50 Percent Survivor Annuity

"Joint and 50 Percent Survivor Annuity" means a monthly retirement benefit payable for the lifetime of the Participant with a monthly survivor annuity for the lifetime of the Participant's Beneficiary equal to 50 percent of the monthly amount payable during the joint lives of the Participant and such Beneficiary.

2.23 Joint and 75 Percent Survivor Annuity

"Joint and 75 Percent Survivor Annuity" means a monthly retirement benefit payable for the lifetime of the Participant with a monthly survivor annuity for the lifetime of the Participant's Beneficiary equal to 75 percent of the monthly amount payable during the joint lives of the Participant and such Beneficiary.

2.24 Joint and 100 Percent Survivor Annuity

"Joint and 100 Percent Survivor Annuity" means a monthly retirement benefit payable for the lifetime of the Participant with a monthly survivor annuity for the lifetime of the Participant's Beneficiary equal to 100 percent of the monthly amount payable during the joint lives of the Participant and such Beneficiary.

2.25 Key Employee

"Key Employee" means generally a Participant who is either:

(a) one of the top-paid 50 officers of the Company or an Affiliate who has annual compensation in excess of $170,000 (as indexed from time to time in accordance with Code section 416(i)(1));

(b) a 5-percent owner of the Company or an Affiliate; or

(c) a 1-percent owner of the Company or an Affiliate who has annual compensation in excess of $150,000.

A Participant who meets one or more of the conditions described in section 2.25(a), (b), or (c) at any time during a Plan Year shall be subject to the distribution restrictions that apply to Key Employees under this Plan during the 12-month period that begins on the April 1 next following the last day of such Plan Year.
(For purposes of this section 2.25, “compensation” means an amount determined in accordance with Code section 415(c)(3).)

2.26 Military Leave
“Military Leave” means leave subject to reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

2.27 Net Executive Restoration Benefit
“Net Executive Restoration Benefit” means the portion of the Participant’s Executive Benefit determined under section 3.2(b)(1), 3.3(b)(1), or 3.4(b)(1), whichever applies to the Participant as of his or her Separation from Service.

2.28 Net Executive SERP Benefit
“Net Executive SERP Benefit” means the portion of the Participant’s Executive Benefit determined under section 3.2(b)(2), 3.3(b)(2), or 3.4(b)(2), whichever applies to the Participant as of his or her Separation from Service.

2.29 Normal Retirement Date
“Normal Retirement Date” means the first day of the month next following the date on which the Participant attains age 65 (or incurs a Separation from Service, if later).

2.30 Participant
“Participant” means an Employee who has met and continues to meet the eligibility requirements described in—

(a) section 3.1 (related to the Executive Benefit);

(b) section 4.1 (related to the DB Restoration Benefit);

(c) section 5.1 (related to the DC Restoration Account);

(d) section 6.1 (related to the DC SERP Benefit); and/or

(e) section 7.1 (related to an individual Participation Agreement).

2.31 Participation Agreement
“Participation Agreement” means an agreement individually negotiated between the Employer and an Employee to provide certain benefits after retirement. Any such Participation Agreement shall form an integral part of this Plan and shall be subject to the provisions of Article 7.

2.32 Pension Plan for Inactive Participants
"Pension Plan for Inactive Participants" means the tax-qualified Sonoco Pension Plan for Inactive Participants, as amended from time to time.

2.33Plan
"Plan" means this Omnibus Benefit Restoration Plan of Sonoco Products Company, as amended from time to time.

2.34 Plan Year
"Plan Year" means the 12-month period beginning on January 1 and ending on December 31.

2.35 Qualified Pension Plan
"Qualified Pension Plan" means the tax-qualified Sonoco Pension Plan, as amended from time to time.

2.36 Restricted Stock Units
"Restricted Stock Units" means the portion of the DC SERP Benefit that is valued by reference to a share of Company Stock and the accumulated valued of dividend equivalents determined under sections 6.2(a)(2) and 6.3(b).

2.37 Retirement and Savings Plan
"Retirement and Savings Plan" means the tax-qualified Sonoco Retirement and Savings Plan, as amended from time to time.

2.38 Separation from Service
"Separation from Service" means an Employee's termination from employment with the Company and all Affiliates, whether by retirement, resignation from or discharge by the Company or an Affiliate (but not by a transfer among Affiliates or death).

(a) A Separation from Service shall be deemed to have occurred as of the date the Employee and the Company or any Affiliate reasonably anticipates, based on the facts and circumstances, that either:

(1) The Employee will not provide any additional services for the Company or an Affiliate after that date; or

(2) The level of bona fide services performed by the Employee after that date will permanently decrease to no more than 20 percent of the average level of bona fide services performed by the Employee over the immediately preceding 36 months.

(b) If an Employee is absent from employment due to Military Leave, sick leave, or any other bona fide leave of absence authorized by the Company or an Affiliate, and there is a reasonable expectation that the Employee will return to perform services for the

Company or an Affiliate, then a Separation from Service shall not occur until the later of:

(1) The first date immediately following the date that is six months after the first date that an Employee was absent from employment; and

(2) To the extent the Employee retains a right to reemployment with the Company or any Affiliates under an applicable statute or by contract, the date the Employee no longer retains a right to reemployment.

2.39 Single Life Annuity
"Single Life Annuity" means a monthly retirement benefit payable for the lifetime of the Participant, with no continuing payments following the Participant's death.

2.40 Social Security Benefit
"Social Security Benefit" is used in the calculation of the Net Executive SERP Benefit under sections 3.2(b)(2), 3.3(b)(2), and 3.4(b)(2). "Social Security Benefit" means the estimated monthly benefit that the Participant would be entitled to receive under the Social Security Act commencing at age 62 (or, if later, the date of the Participant's Separation from Service). This estimate shall be based on—

(a) the Social Security Act in effect as of the date of the Participant's Separation from Service; and

(b) an assumption that the Participant's compensation does not increase after the last day of the Plan Year that precedes the date of the Participant's Separation from Service.

Notwithstanding any provision in this Plan to the contrary, the Social Security Benefit for a Participant who incurs a Separation from Service after December 31, 2018 shall be determined as if he or she incurred a Separation from Service on December 31, 2018 and shall not be adjusted in any way to reflect a Participant's earnings from the Company or an Affiliate after such date or any Social Security law changes that may become effective after such date.

2.41 Target Date Retirement Fund
"Target Date Retirement Fund" means the target date retirement funds that are available for the investment of a Participant's account under the Retirement and Savings Plan. With respect to a particular Participant, the Target Date Retirement Fund shall be the fund having the target date that is closest to the year in which the Participant reaches age 65.

2.42 Ten-Year Certain and Life Annuity
"Ten-Year Certain and Life Annuity" means a monthly retirement benefit payable to the Participant for life, and if the Participant dies before receiving 120 monthly payments, such payments shall continue to the Beneficiary until a total of 120 payments have been made.

2.43 Valuation Date

"Valuation Date" means any date selected by the Committee in its sole and absolute discretion for revaluation and adjustment of the Participant's DC Restoration Account and DC SERP Account.

2.44 Years of Benefit Service

"Years of Benefit Service" mean generally the years of service earned by a Participant for benefit accrual purposes under the Qualified Pension Plan (or the Pension Plan for Inactive Participants for any Participant who, upon his or her Separation from Service, has an accrued benefit under such plan). However, for purposes of determining the amount of a Participant's Gross Executive SERP Benefit under section 2.21, "Years of Benefit Service" shall be credited for the Participant's full period of employment with the Company and its Affiliates.

Except as provided in section 2.21, a Participant who incurs a Separation from Service after December 31, 2018 shall not earn Years of Benefit Service for employment with the Company and its Affiliates on and after January 1, 2019.

2.45 Years of Vesting Service

"Years of Vesting Service" mean the following:

(a) **Executive Benefit.** For purposes of determining whether a Participant has a vested interest in the Executive Benefit under Article 3, "Years of Vesting Service" mean the vesting service earned by the Participant as determined under the Qualified Pension Plan (but considering only such service earned during the Participant's period of active participation under Article 3).

(b) **DB Restoration Benefit.** For purposes of determining whether a Participant has a vested interest in the DB Restoration Benefit under Article 4, "Years of Vesting Service" mean the vesting service earned by the Participant as determined under the Qualified Pension Plan (or the vesting service recognized under the Pension Plan for Inactive Participants for any Participant who, upon his or her Separation from Service, has an accrued benefit under that plan).

(c) **Retirement Contribution Restoration Account.** For purposes of determining whether a Participant has a vested interest in his or her Retirement Contribution Restoration Account under Article 5, "Years of Vesting Service" mean the vesting service earned by the Participant as determined under the Retirement and Savings Plan.

(d) **DC SERP Benefit.** For purposes of determining whether a Participant has a vested interest in a DC SERP Benefit under Article 6, "Years of Vesting Service" will be determined as follows:

(1) If the Participant is accruing benefits under the Qualified Pension Plan, his or her "Years of Vesting Service" mean the vesting service earned by the Participant as determined under the Qualified Pension Plan (but considering only such service

earned during the Participant's period of employment as an officer of the Company).

(2) If the Participant is eligible to receive "Retirement Contributions" (as defined and determined under the Retirement and Savings Plan), his or her "Years of Vesting Service" mean the vesting service earned by the Participant as determined under the Retirement and Savings Plan (but considering only such service earned during the Participant's period of employment as an officer of the Company).

Article 3. Executive Benefit

3.1 Eligibility and Participation

(a) **Eligibility.** Subject to section 3.1(b) below, an Employee who was a Participant with respect to the Executive Benefit as of December 31, 2007 shall continue to be a Participant with respect to this benefit on and after January 1, 2008. Each Employee who was not a Participant with respect to the Executive Benefit as of December 31, 2007 shall not be eligible to become a Participant under this Article 3.

(b) **Duration of Participation.** An individual who becomes a Participant under this Article 3 shall continue as an active Participant until the earliest of the following three dates:

(1) the date on which the Participant is designated by the Committee as no longer eligible to be a Participant with respect to the Executive Benefit;

(2) the date on which the Participant incurs a Separation from Service; or

(3) December 31, 2018.

When active participation ends under section 3.1(b)(1), (2), or (3), the individual will continue as an inactive Participant with respect to the Executive Benefit until he or she has received a complete distribution of any benefits to which he or she is entitled under this Article 3 (or forfeits any such benefits either by incurring a Separation from Service before qualifying for a deferred vested retirement benefit under section 3.4(a) or by violating any of the conditions specified in section 10.14).

3.2 Normal Retirement Benefits

(a) **Eligibility.** A Participant under this Article 3 who incurs a Separation from Service on or after attaining age 65 shall be eligible for a normal retirement benefit under this section 3.2. This benefit shall commence as of the date determined under section 3.2(c) and shall be paid in the form determined under section 3.6.

(b) **Amount.** The Executive Benefit payable under this section 3.2 to a Participant who retires after reaching age 65 shall equal the sum of—

(1) the Participant’s Net Executive Restoration Benefit determined under section 3.5 as of the date of the Participant’s Separation from Service, but expressed as a Single Life Annuity (i.e., determined before converting the Gross Executive Restoration Benefit and the offset for the benefit payable under the Qualified Pension Plan into a Joint and 75 Percent Survivor Annuity under section 3.5(d)); and

(2) the Participant’s Net Executive SERP Benefit, which shall equal (A) reduced by the sum of (B) and (C) where—

(A) is the Gross Executive SERP Benefit determined as of the date of the Participant's Separation from Service;

(B) is the Gross Executive Restoration Benefit determined under section 3.5(b) as of the date of the Participant's Separation from Service (after such amount has been converted into a Joint and 75 Percent Survivor Annuity in the manner described in section 3.5(d)); and

(C) is the Participant's Social Security Benefit.

(c) **Commencement.** If a Participant becomes entitled to an Executive Benefit under this section 3.2 upon his or her Separation from Service, both the Net Executive Restoration Benefit and the Net Executive SERP Benefit shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. If all or a portion of the Executive Benefit is paid as an annuity under section 3.6, the first such annuity payment shall include the monthly amounts (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the first day of the month next following the date on which the Participant incurs a Separation from Service.

(d) **Freeze of Accruals.** Notwithstanding any provision in this section 3.2 to the contrary, the benefit amount for a Participant who incurs a Separation from Service after December 31, 2018 shall be determined under section 3.2(b) as if the Participant incurred a Separation from Service on December 31, 2018 (but the benefit commencement date under section 3.2(c) shall still be based upon the Participant's actual Separation from Service).

3.3 Early Retirement Benefits

(a) **Eligibility.** A Participant under this Article 3 who incurs a Separation from Service before reaching age 65, but after reaching age 55, shall be eligible for an early retirement benefit under this section 3.3. This benefit shall commence on the date determined under section 3.3(c) and shall be paid in the form determined under section 3.6.

(b) **Amount.** The Executive Benefit payable under this section 3.3 shall equal the sum of the Net Executive Restoration Benefit determined under section 3.3(b)(1) and the Net Executive SERP Benefit determined under section 3.3(b)(2).

(1) **Net Executive Restoration Benefit.** The Net Executive Restoration Benefit under this section 3.3 shall equal (A) reduced by (B) where—

(A) is the Net Executive Restoration Benefit determined under section 3.5 as of the date of the Participant's Separation from Service, but expressed as a Single Life Annuity (i.e., determined before converting the Gross Executive Restoration Benefit and the offset for the benefit payable under the Qualified Pension Plan into a Joint and 75 Percent Survivor Annuity under section 3.5(d)); and

(B) is 0.30 percent of the amount determined under section 3.3(b)(1)(A) for each month by which the first day of the month that next follows the month in which the Participant incurred a Separation from Service precedes the first day of the month next following the month in which the Participant would attain age 65.

(2) **Net Executive SERP Benefit.** The Net Executive SERP Benefit payable under this section 3.3 shall equal (A) reduced by the sum of (B) and (C) where—

(A) is the Participant's Gross Executive SERP Benefit determined as of the date of the Participant's Separation from Service, reduced by 0.25 percent for each month by which the first day of the month that next follows the month in which the Participant incurred a Separation from Service precedes the first day of the month next following the month in which the Participant would attain age 62;

(B) is the Gross Executive Restoration Benefit determined under section 3.5(b) as of the date of the Participant's Separation from Service (after such amount has been converted into a Joint and 75 Percent Survivor Annuity in the manner described in section 3.5(d)), reduced for commencement before age 65 in the manner and amount described in section 3.3(b)(1)(B) above; and

(C) is the Participant's Social Security Benefit, calculated as if it were to commence on the first day of the month next following the later of (i) the month in which the Participant incurs a Separation from Service or (ii) the month in which the Participant attains age 62. (This offset for the Social Security Benefit shall first be applied as of the first day of the month next following the later of the month in which the Participant incurs a Separation from Service or attains age 62.)

(c) **Commencement.** If a Participant becomes entitled to an Executive Benefit under this section 3.3 upon his or her Separation from Service, both the Net Executive Restoration Benefit and the Net Executive SERP Benefit shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. If all or a portion of the Executive Benefit is paid as an annuity under section 3.6, the first such annuity payment shall include the monthly amounts (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the first day of the month next following the date on which the Participant incurs a Separation from Service.

(d) **Freeze of Accruals.** Notwithstanding any provision in this section 3.3 to the contrary, the benefit amount for a Participant who incurs a Separation from Service after December 31, 2018 shall be determined under section 3.3(b) as if the Participant incurred a Separation from Service on December 31, 2018 (but the applicable reductions under sections 3.3(b)(1)(B) and 3.3(b)(2)(A), and the benefit commencement date under section 3.3(c), shall still be based upon the Participant's actual Separation from Service).

3.4 Deferred Vested Retirement Benefits

(a) **Eligibility.** A Participant under this Article 3 who incurs a Separation from Service before qualifying for early retirement under section 3.3, but after completing five or more Years of Vesting Service as a Participant under this Article 3, shall be eligible for a deferred vested retirement benefit under this section 3.4. This benefit shall commence on the date determined under section 3.4(c) and shall be paid in the form determined under section 3.6.

(b) **Amount.** The Executive Benefit payable under this section 3.4 shall equal the sum of the Net Executive Restoration Benefit determined under section 3.4(b)(1) and the Net Executive SERP Benefit determined under section 3.4(b)(2).

(1) **Net Executive Restoration Benefit.** The Net Executive Restoration Benefit payable under this section 3.4 shall equal (A) multiplied by (B) where—

(A) is the Net Executive Restoration Benefit determined under section 3.5 as of the date of the Participant's Separation from Service, but expressed as a Single Life Annuity (i.e., determined before converting the Gross Executive Restoration Benefit and the offset for the benefit payable under the Qualified Pension Plan into a Joint and 75 Percent Survivor Annuity under section 3.5(d)); and

(B) is 64 percent.

(2) **Net Executive SERP Benefit.** The Net Executive SERP Benefit payable under this section 3.4 shall equal (A) reduced by the sum of (B) and (C) where—

(A) is 79 percent of the Participant's Gross Executive SERP Benefit determined as of the date of the Participant's Separation from Service;

(B) is 64 percent of the Gross Executive Restoration Benefit determined under section 3.5(b) as of the date of the Participant's Separation from Service, (after such amount has been converted into a Joint and 75 Percent Survivor Annuity in the manner described in section 3.5(d)); and

(C) is the Participant's Social Security Benefit, calculated as if it were to commence on the first day of the month next following the month in which the Participant attains age 62. (This offset for the Social Security Benefit shall first be applied as of the first day of the month next following the month in which the Participant attains age 62.)

(c) **Commencement.** If a Participant becomes entitled to an Executive Benefit under this section 3.4 upon his or her Separation from Service, both the Net Executive Restoration Benefit and the Net Executive SERP Benefit shall commence as of the later of—

(1) the first day of the month next following the month in which the Participant reaches age 55; or

(2) the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs.

If all or a portion of the Executive Benefit is paid as an annuity under section 3.6, and the Participant's benefit commencement date is the date determined under section 3.4(c)(2), the first such annuity payment shall include the monthly amounts (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the first day of the month next following the month in which the Participant reaches age 55.

(d) **Freeze of Accruals.** Notwithstanding any provision in this section 3.4 to the contrary, the benefit amount for a Participant who incurs a Separation from Service after December 31, 2018 shall be determined under section 3.4(b) as if the Participant incurred a Separation from Service on December 31, 2018 (but the benefit commencement date under section 3.2(c) shall still be based upon the Participant's actual Separation from Service).

3.5 Net Executive Restoration Benefit

(a) **In General.** A Participant's Net Executive Restoration Benefit shall equal the difference between—

(1) the Gross Executive Restoration Benefit determined as of the Participant's Separation from Service under section 3.5(b); and

(2) the benefit accrued by the Participant under the Qualified Pension Plan determined as of his or her Separation from Service as determined under 3.5(c).

(b) **Gross Executive Restoration Benefit.** A Participant's Gross Executive Restoration Benefit shall be determined initially as of December 31, 2008 (in accordance with section 3.5(b)(1)); then adjusted for each full Plan Year of participation thereafter (in accordance with section 3.5(b)(2)); and adjusted further for the Plan Year in which the Participant incurs a Separation from Service (in accordance with section 3.5(b)(3)).

(1) **Gross Executive Restoration Benefit as of December 31, 2008.** The Gross Executive Restoration Benefit as of December 31, 2008 shall equal the amount that would have been accrued by the Participant under the Qualified Pension Plan

as of such date without regard to the limits imposed by Code sections 401(a)(17) and 415, and calculated initially as a Single Life Annuity commencing on the Participant's Normal Retirement Date, but then converted into a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date (in the manner described in section 3.5(d)).

(2) **Annual Adjustments to Gross Executive Restoration Benefit for Full Plan Years of Participation.** Beginning January 1, 2009, the Gross Executive Restoration Benefit determined as of the end of the immediately preceding Plan Year shall be increased as of the last day of each subsequent full Plan Year of participation by an amount equal to the lesser of (A) or (B) where—

(A) is the difference (but not less than zero) between—

(i) the amount that would have been accrued by the Participant under the Qualified Pension Plan through the last day of the current Plan Year without regard to the limits imposed by Code sections 401(a)(17) and 415, and calculated initially as a Single Life Annuity commencing on the Participant's Normal Retirement Date, but then converted into a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date (in the manner described in section 3.5(d)); and

(ii) is the lesser of—

(I) the amount that would have been accrued by the Participant under the Qualified Pension Plan through the last day of the immediately preceding Plan Year without regard to the limits imposed by Code sections 401(a)(17) and 415, calculated initially as a Single Life Annuity commencing on the Participant's Normal Retirement Date but then converted into a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date (in the manner described in section 3.5(d)); and

(II) the amount of the Gross Executive Restoration Benefit as of the last day of the immediately preceding Plan Year; and

(B) is the increase in the Gross Executive SERP Benefit for such full Plan Year of participation. (This increase shall equal the Gross Executive SERP Benefit as of the last day of the Plan Year reduced by the Gross Executive SERP Benefit determined as of the last day of the immediately preceding Plan Year.)

(3) **Final Determination of Gross Executive Restoration Benefit as of Separation from Service.** As of the date of the Participant's Separation from Service, the

Gross Executive Restoration Benefit shall equal the Gross Executive Restoration Benefit determined under section 3.5(b)(2) as of the last day of the immediately preceding Plan Year increased through the date of the Participant's Separation from Service by an amount equal to the lesser of (A) or (B) where—

(A) is the difference (but not less than zero) between—

(i) the amount that would have been accrued by the Participant under the Qualified Pension Plan through the date of his or her Separation from Service without regard to the limits imposed by Code sections 401(a)(17) and 415, calculated initially as a Single Life Annuity commencing on the Participant's Normal Retirement Date, but then converted into a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date (in the manner described in section 3.5(d)); and

(ii) the lesser of—

(I) the amount that would have been accrued by the Participant under the Qualified Pension Plan through the last day of the immediately preceding Plan Year without regard to the limits imposed by Code sections 401(a)(17) and 415, calculated initially as a Single Life Annuity commencing on the Participant's Normal Retirement Date, but then converted into a Joint and 75 Percent Survivor Annuity commencing on the Participant's Normal Retirement Date (in the manner described in section 3.5(d)); and

(II) the amount of the Gross Executive Restoration Benefit as of the last day of the immediately preceding Plan Year; and

(B) is the increase in the Gross Executive SERP Benefit for the Plan Year in which the Participant incurred a Separation from Service. (This increase shall equal the Gross Executive SERP Benefit as of the date of the Participant's Separation from Service reduced by the Gross Executive SERP Benefit determined as of the last day of the immediately preceding Plan Year).

(4) **Freeze of Accruals.** Notwithstanding any provision of this Plan to the contrary, for a Participant who incurs a Separation from Service after December 31, 2018, the Gross Executive Restoration Benefit shall be calculated under this section 3.5 as if the Participant incurred a Separation from Service on December 31, 2018.

(c) **Offset for Qualified Pension Plan Benefit.** The offset described in section 3.5(a)(2) shall equal the amount accrued by the Participant under the Qualified Pension Plan as of the date of the Participant's Separation from Service, calculated initially as a Single

Life Annuity commencing on the Participant's Normal Retirement Date, but then converted into a Joint and 75 Percent Survivor Annuity (in the manner described in section 3.5(d)). Notwithstanding any provision in this Plan to the contrary, for a Participant who incurs a Separation from Service after December 31, 2018, the offset determined under this section 3.5(c) shall equal the amount accrued by the Participant under the Qualified Pension Plan as of December 31, 2018.

(d) **Adjustment to the Single Life Annuity Amounts.** Amounts calculated initially as a Single Life Annuity under sections 3.5(b) and 3.5(c) shall be converted into actuarially equivalent Joint and 75 Percent Survivor Annuity by—

(1) applying the mortality and interest assumptions described in section 2.1, and

(2) for a Participant who is not married as of the applicable calculation date, by assuming that the Participant's beneficiary under the Joint and 75 Percent Survivor Annuity is the same age as the Participant.

3.6 Form of Payment

(a) **Net Executive Restoration Benefit.** If a Participant's benefit commencement date under this Article 3 is on or after January 1, 2009, such benefit shall be distributed as follows:

(1) **Normal Form of Payment.** Unless a Participant elects an optional form under section 3.6(a)(2), and unless otherwise provide under section 10.3, the Net Executive Restoration Benefit shall be paid in the form of a Single Life Annuity, as determined under section 3.2(b)(1), 3.3(b)(1), or 3.4(b)(1) (as applicable).

(2) **Optional Forms of Payment.** In lieu of the Single Life Annuity described in section 3.6(a)(1), and unless otherwise provide under section 10.3, a Participant may elect instead, at any time before his or her benefit commencement date and in a manner specified by the Committee, to receive his or her Net Executive Restoration Benefit in any one of the following forms of payment (each of which shall be the Actuarial Equivalent of the Single Life Annuity):

(A) Joint and 50 Percent Survivor Annuity;

(B) Joint and 75 Percent Survivor Annuity;

(C) Joint and 100 Percent Survivor Annuity;

(D) Five-Year Certain and Life Annuity; or

(E) 10-Year Certain and Life Annuity.

(b) **Net Executive SERP Benefit.**

(1) **Normal Form of Payment.** Except as provided in sections 3.6(b)(2) and 10.3, the portion of the Executive Benefit that is attributable to the Net Executive SERP Benefit shall be paid as follows:

(A) **Married Participant:** If a Participant is married when the payment of his or her Executive Benefit commences under this Article 3, the Net Executive SERP Benefit (i.e., the monthly amount determined under section 3.2(b)(2), 3.3(b)(2), or 3.4(b)(2), as applicable) shall be paid in the form a Joint and 75 Percent Survivor Annuity, with the Participant's spouse as his or her Beneficiary.

(B) **Unmarried Participant.** If a Participant is not married when the payment of his or her Net Executive SERP Benefit commences under this Article 3, such benefit shall be paid in the form of a Ten-Year Certain and Life Annuity. This Ten-Year Certain and Life Annuity shall be the Actuarial Equivalent of the Joint and 75 Percent Survivor Annuity determined under section 3.2(b)(2), 3.3(b)(2), or 3.4(b)(2), as applicable (which shall be valued assuming that the Participant's Beneficiary is the same age as the Participant).

(2) **Optional Form of Payment.**

(A) **Three Equal Installments.** Subject to section 10.3, a Participant may waive the normal form of payment specified under Section 3.6(b)(1) and elect instead to receive the Net Executive SERP Benefit in the form of three equal installments, with the first installment payable on the benefit commencement date determined under section 3.2(c), 3.3(c), or 3.4(c) (as applicable), the second installment payable six months after the payment of the first installment, and the third installment payable 12 months after the payment of the second installment.

The amount of these installments shall be determined as follows:

(i) The Net Executive SERP Benefit determined under 3.2(b)(2), 3.3(b)(2), or 3.4(b)(2) (as applicable) shall first be converted from an amount payable as a Joint and 75 Percent Survivor Annuity into an equivalent lump sum using—

(I) the "applicable mortality table" determined under Code section 417(e); and

(II) the "applicable interest rate" determined under Code section 417(e) for the month of November immediately preceding the first day of the Plan Year in which the distribution occurs.

(ii) The lump sum determined under section 3.6(b)(2)(A)(i) shall then be converted into an equivalent payment stream of three installments by applying the first tier segment rate described in Code section 430(h)(2)(C)(i).

(B) **Limitation on Final Installment Payments.** If the amount of the final (i.e., third) installment payments made on behalf of all Participants who are entitled to such final installment payments in any Plan Year would trigger settlement accounting for such Plan Year under FASB ASC 715 (or any successor to such statement), the amount actually paid in such Plan Year shall be limited to avoid the application of settlement accounting in the manner described below.

(i) The aggregate excess amount for the Plan Year is equal to (I) minus (II) where—

(I) is the total of all final (i.e., third) installment payments due to Participants under this section 3.6(b)(2) for the Plan Year; and

(II) is the total amount of all final (i.e., third) installment payments that could be made for such Plan Year without triggering settlement accounting for the Plan Year.

(ii) The aggregate excess amount for the Plan Year (as determined under section 3.6(b)(2)(B)(i)) shall be allocated among the Participants who are otherwise entitled to their final installment payments in the Plan Year in proportion to the amount of each individual's final installment payment.

(iii) The installment payment actually made to each such Participant for the Plan Year shall equal the difference between (I) and (II) where—

(I) is the installment payment the Participant would otherwise be entitled to for the Plan Year without regard to this section 3.6(b)(2)(B); and

(II) is the Participant's proportionate share of the aggregate excess amount determined under section 3.6(b)(2)(B)(ii).

(iv) Each affected Participant will then receive an additional payment during the next following Plan Year equal to the amount by which his or her third installment payment was reduced under section 3.6(b)(2)(B)(iii), provided such payment would not itself trigger settlement accounting for such Plan Year under Statement of Financial Accounting Standards No. 88 (or any successor to such statement). If such payment would trigger settlement accounting, the

Committee will continue to apply the procedures described in this section 3.6(b)(2)(B) until the Participant has received a complete distribution of his or her final payment.

(C) **Electing an Optional Form.** An election of the optional form of payment described in this section 3.6(b)(2) must be made by the Participant at a time and in a manner prescribed by the Committee, but not later than June 30, 2008.

(D) **Death of the Participant after the Benefit Commencement Date.** If a Participant who has elected the optional form of payment described in this section 3.6(b)(2) dies after the benefit commencement date specified in section 3.2(c), 3.3(c), or 3.4(c) (as applicable), but before receiving all three installments, the remaining installments shall be paid to the Participant's Beneficiary at the same time as such installments would have been paid to the Participant.

3.7 Preretirement Death Benefits

(a) **Eligibility.** If a Participant under this Article 3 dies before his or her benefit commencement date, but after attaining age 55 or completing five or more Years of Vesting Service as a Participant under this Article 3, the Participant's surviving spouse shall be entitled to the preretirement death benefit determined under this section 3.7. (If a Participant dies before meeting the eligibility requirements described above, or if the Participant does not have a surviving spouse as of the benefit commencement date determined under this section, no benefits will be payable under this section 3.7.)

(b) **Net Executive Restoration Benefit.** A surviving spouse who becomes entitled to a benefit under section 3.7(a) shall receive a preretirement death benefit attributable to the Participant's Net Executive Restoration Benefit. The amount of such benefit shall be determined under section 3.7(b)(1). In addition, this benefit shall commence on the date determined under section 3.7(b)(2) and shall be paid in the form described in section 3.7(b)(3).

(1) **Benefit Amount.** The preretirement death benefit attributable to the Participant's Net Executive Restoration Benefit shall be a monthly benefit that is determined as follows:

(A) In the case of a Participant who dies after reaching age 55, the surviving spouse shall receive a Single Life Annuity having monthly payments equal to the survivor portion of the Joint and 50 Percent Survivor Annuity that would have become payable to the Participant as a Net Executive Restoration Benefit under this Article 3 had he or she incurred a Separation from Service on the day before his or her death and commenced a benefit as of the date determined under section 3.2(c) or 3.3(c) (as applicable) in the form of a Joint and 50 Percent Survivor Annuity with the Participant's spouse as his or her designated Beneficiary.

(B) In the case of a Participant who dies before reaching age 55, the surviving spouse shall receive a Single Life Annuity having monthly payments equal to the survivor portion of the Joint and 50 Percent Survivor Annuity that would have become payable to the Participant as a Net Executive Restoration Benefit under this Article 3 had he or she incurred a Separation from Service on the date of his or her death, survived to the first day of the month next following the month in which the Participant would have attained age 55, and commenced a benefit as of such date in the form of a Joint and 50 Percent Survivor Annuity with the Participant's spouse as his or her designated Beneficiary.

(2) **Benefit Commencement Date.** A preretirement death benefit that becomes payable under this section 3.7(b) shall commence on the first day of the month next following the later of—

(A) the date of the Participant's death; or

(B) the date the Participant would have reached age 55.

(3) **Form of Payment.** Except as provided in section 10.3, a preretirement death benefit under this section 3.7(b) shall be paid to the Participant's surviving spouse in the form of a Single Life Annuity.

(c) **Net Executive SERP Benefit.** A surviving spouse who becomes entitled to a benefit under section 3.7(a) shall receive a preretirement death benefit attributable to the Participant's Net Executive SERP Benefit. The amount of such benefit shall be determined under section 3.7(c)(1). In addition, this benefit shall commence on the date determined under section 3.7(c)(2) and shall be paid in the form described in section 3.7(c)(3).

(1) **Benefit Amount.** The preretirement death benefit attributable to the Participant's Net Executive SERP Benefit shall be a monthly benefit that is determined as follows:

(A) **Death on or after Age 55.** If a vested Participant dies before the commencement date of his or her Net Executive SERP Benefit, but on or after attaining age 55, the Participant's surviving spouse shall be entitled to a Single Life Annuity with monthly payments equal to (i) reduced by (ii) where—

(i) is 75 percent of the Gross Executive SERP Benefit accrued by the Participant as of the date of his or her death (with no reductions for early commencement)—

(I) assuming the Participant had at least 15 Years of Benefit Service under section 2.21(a);

(II) using the Participant's actual Years of Benefit Service as of his or her date of death under section 2.21(b); and

(III) replacing the offset for Social Security Benefits with an offset for the combined family Social Security benefit; and

(ii) is the sum of—

(I) the survivor portion of the amount that would have become payable to the Participant under the Qualified Pension Plan, assuming the Participant incurred a Separation from Service on the day before his or her death, and commenced a benefit under such plan as of the first day of the month next following the month of the Participant's death in the form of a Joint and 50 Percent Survivor Annuity with the Participant's spouse as his or her designated Beneficiary; and

(II) the amount that would become payable to the Participant's spouse under section 3.7(b) as of the first day of the month next following the month of the Participant's death.

(B) **Death before Age 55.** If a vested Participant dies before attaining age 55, the Participant's surviving spouse shall be entitled to a Single Life Annuity with monthly payments equal to (i) reduced by (ii) where—

(i) is the amount determined under section 3.7(c)(1)(A)(i) above as of the date of the Participant's death; and

(ii) is the sum of—

(I) the survivor portion of the amount that would have become payable to the Participant under the Qualified Pension Plan, assuming the Participant incurred a Separation from Service on the day of his or her death, survived to the first day of the month next following the month in which the Participant would have attained age 55, and commenced a benefit as of such date in the form of a Joint and 50 Percent Survivor Annuity with the Participant's spouse as his or her designated Beneficiary; and

(II) the amount that would become payable to the Participant's spouse under section 3.7(b) as of the first day of the month next following the month in which the Participant attains age 55.

(2) **Benefit Commencement Date.**

(A) **Death on or after Age 55.** A preretirement death benefit payable on behalf of a Participant described in section 3.7(c)(1)(A) shall commence as of the first day of the month next following the month of the Participant's death.

(B) **Death before Age 55.** A preretirement death benefit that becomes payable on behalf of a Participant under section 3.7(c)(1)(B) shall commence as of the first day of the month next following the month in which the Participant would have attained age 55.

(3) **Form of Payment.**

(A) **General Rule.** Except as provided in sections 3.7(c)(3)(B) and 10.3, a preretirement death benefit under this section 3.7(c) shall be paid to the Participant's surviving spouse in the form of a Single Life Annuity.

(B) **Installments.** If a Participant made a timely election under section 3.6(b)(2)(C) to receive his or her Net Executive SERP benefit in the form of three equal installments, the preretirement death benefit attributable to the Net Executive SERP benefit under section 3.7(c) shall be paid to the Participant's surviving spouse in the form of three equal installments (calculated in the manner described in section 3.6(b)(2)(A), but with the first installment to be paid as soon as practicable following the Participant's death, and no later than the last day of the Plan Year in which the Participant died (or the 15th day of the third calendar month following date of the Participant's death, if later). The second installment shall be paid in January of the year following payment of the first installment, and the third installment shall be paid in January of the year following payment of the second installment).

Article 4. DB Restoration Benefit

4.1 Eligibility and Participation

(a) **Eligibility.** Each Employee who was a Participant with respect to the DB Restoration Benefit on December 31, 2021 shall continue to be Participant under this Article 4 on January 1, 2022. Each other Employee shall be eligible to become a Participant with respect to the DB Restoration Benefit described in this Article 4 if the Employee—

(1) has an accrued benefit under the Qualified Pension Plan or the Pension Plan for Inactive Participants; and

(2) is determined by the Committee to be among a select group of management or highly compensated employees.

However, notwithstanding any provision in this Plan to the contrary, any Employee who is a Participant with respect to the Executive Benefit described in Article 3 shall not be a Participant with respect to the DB Restoration Benefit described in this Article 4.

(b) **Date of Participation.** Each Employee who is eligible to participate under section 4.1(a) shall become a Participant under this Article 4 as of the first day of the month next following the month in which his or her accrued benefit under the Qualified Pension Plan or the Pension Plan for Inactive Participants (as applicable) becomes limited by Code section 401(a)(17) and/or Code section 415.

(c) **Duration of Participation.** An individual who becomes a Participant under this section 4.1 shall continue as an active Participant under this Article 4 until the earlier of the date on which he or she—

(1) is determined by the Committee as no longer meeting the requirements of section 4.1(a); or

(2) incurs a Separation from Service.

When active participation ends under section 4.1(c)(1) or (2), the individual will continue as an inactive Participant with respect to the DB Restoration Benefit until he or she has received a complete distribution of any benefits earned under this Article 4 (or forfeits any such benefits by incurring a Separation from Service before meeting the eligibility requirements for a deferred vested retirement benefit under section 4.4(a)).

4.2 Normal Retirement Benefit

(a) **Eligibility.** A Participant under this Article 4 who incurs a Separation from Service after reaching age 65 shall be entitled to a normal retirement benefit under this section 4.2. This normal retirement benefit shall be calculated as a Single Life

Annuity commencing on the date specified in section 4.2(c)(1), but shall be paid in the form determined under section 4.5.

(b) **Amount.** A Participant who is eligible for a normal retirement benefit under section 4.2(a) shall be entitled to a monthly benefit equal to the difference between—

(1) the monthly benefit to which the Participant would be entitled to under the Qualified Pension Plan or the Pension Plan for Inactive Participants (as applicable) commencing as of the first day of the month next following the month in which the Participant incurs a Separation from Service, but calculated without regard to the compensation and benefit limits in effect under the Qualified Pension Plan pursuant to Code sections 401(a)(17) and 415; and

(2) the monthly normal retirement benefit payable to the Participant under the Qualified Pension Plan or the Pension Plan for Inactive Participants (as applicable) commencing as of the first day of the month next following the month in which the Participant incurs a Separation from Service.

(c) **Benefit Commencement Date.**

(1) **In General.** Except as provided in section 4.2(c)(2), payment of benefits under this section 4.2 shall begin as of the first day of the month following the date on which the Participant incurs a Separation from Service.

(2) **Delayed Commencement for Key Employees.** If the Participant is a Key Employee upon his or her Separation from Service, payment of the DB Restoration Benefit shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. However, the first benefit payment will include the payments (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the date determined under section 4.2(c)(1).

4.3 Early Retirement Benefits

(a) **Eligibility.** A Participant under this Article 4 who incurs a Separation from Service after reaching age 55, but before meeting the requirements for a normal retirement benefit under section 4.2(a), shall be entitled to an early retirement benefit under this section 4.3. This early benefit shall be calculated as a Single Life Annuity commencing on the date specified in section 4.3(c)(1), but shall be paid in the form determined under section 4.5.

(b) **Amount.** The benefit payable to a Participant under this section 4.3 shall equal the normal retirement benefit accrued by the Participant under section 4.2(b) as of the date of his or her Separation from Service, reduced by 0.3 percent of such amount for each month by which the benefit commencement date described in section 4.3(c)(1) precedes the Participant's Normal Retirement Date.

(c) **Benefit Commencement Date.**

(1) **In General.** Except as otherwise provided in section 4.3(c)(2) below, for a Participant who incurs a Separation of Service on or after January 1, 2009, payment of an early retirement benefit under this section 4.3 shall commence as of the first day of the month next following the date on which the Participant incurs a Separation from Service.

(2) **Delayed Commencement for Key Employees.** If the Participant is a Key Employee upon his or her Separation from Service, and such Participant's benefit commencement date under section 4.3(c)(1) would otherwise occur on or after January 1, 2009, payment of the DB Restoration Benefit shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. However, the first benefit payment will include the payments (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the date determined under section 4.3(c)(1).

4.4 Deferred Vested Retirement Benefits

(a) **Eligibility.** A Participant under this Article 4 who incurs a Separation from Service before becoming eligible for an early retirement benefit under section 4.3, but after completing five or more Years of Vesting Service, shall be entitled to a deferred vested retirement benefit under this section 4.4. This deferred vested retirement benefit shall be calculated as a Single Life Annuity commencing on the date specified in section 4.4(c)(1), but shall be paid in the form determined under section 4.5.

(b) **Amount.** The benefit payable to a Participant under this section 4.4 shall equal the normal retirement benefit accrued by the Participant under section 4.2(b) as of the date of his or her Separation from Service, reduced by 0.3 percent of such amount for each month by which the benefit commencement date described in section 4.4(c)(1) precedes the Participant's Normal Retirement Date.

(c) **Benefit Commencement Date.**

(1) **In General.** Except as otherwise provided in section 4.4(c)(2), for a Participant who incurs a Separation of Service on or after January 1, 2009, payment of a deferred vested retirement benefit under this section 4.4 shall commence as of the first day of the month next following the date on which the Participant reaches age 55.

(2) **Delayed Commencement for Key Employees.** If the Participant is a Key Employee upon his or her Separation from Service, and such Participant's benefit commencement date under section 4.4(c)(1) would otherwise occur on or after January 1, 2009, payment of the DB Restoration Benefit shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. However, the

first benefit payment will include the payments (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the date determined under section 4.4(c)(1).

4.5 Form of Payment

Except as provided in section 10.3, if a Participant's benefit commencement date under this Article 4 is on or after January 1, 2009, the benefit shall be distributed to the Participant as follows:

(a) **Normal Form of Payment.** Unless a Participant elects an optional form under section 4.5(b), the DB Restoration Benefit shall be paid in the form of a Single Life Annuity.

(b) **Optional Forms of Payment.** In lieu of the Single Life Annuity described in section 4.5(a), a Participant may elect instead, at any time before his or her benefit commencement date and in a manner specified by the Committee, to receive his or her DB Restoration Benefit in any one of the following forms of payment (each of which shall be the Actuarial Equivalent of the Single Life Annuity):

(1) Joint and 50 Percent Survivor Annuity;

(2) Joint and 75 Percent Survivor Annuity;

(3) Joint and 100 Percent Survivor Annuity;

(4) Five-Year Certain and Life Annuity; or

(5) 10-Year Certain and Life Annuity.

4.6 Preretirement Death Benefits

(a) **Eligibility.** If a Participant under this Article 4 dies before his or her benefit commencement date, but after attaining age 55 or completing five or more Years of Vesting Service, the Participant's surviving spouse shall be entitled to the preretirement death benefit determined under this section 4.6. No preretirement death benefit shall be payable under this Article 4 on behalf of a Participant who—

(1) is not married at the time of his or her death; or

(2) is married at the time of his or her death, but had not either attained age 55 or completed five or more Years of Vesting Service.

(b) **Amount.** A surviving spouse who becomes eligible for a preretirement death benefit under section 4.6(a) shall be entitled to a monthly benefit equal to the difference between—

(1) the preretirement death benefit to which the spouse would be entitled under the Qualified Pension Plan commencing as of the date specified under section 4.6(c),

but calculated without regard to the compensation and benefit limits in effect under the Qualified Pension Plan pursuant to Code sections 401(a)(17) and 415; and

(2) the preretirement death benefit that actually would be payable to the spouse under the Qualified Pension Plan if such benefit were to commence as of the date specified under section 4.6(c) below.

(c) **Benefit Commencement Date.** A preretirement death benefit that becomes payable under this section 4.6 shall commence on the first day of the month following the later of—

(1) the date of the Participant's death; or

(2) the date the Participant would have reached age 55.

(d) **Form of Payment.** Except as provided in section 10.3, a preretirement death benefit under this section 4.6 shall be paid to the Participant's surviving spouse in the form of a Single Life Annuity.

Article 5. DC Restoration Account

5.1 Eligibility and Participation

(a) **Eligibility.** Each Employee who was a Participant on December 31, 2007 with respect to the "Excess ESSOP Benefit" (as defined under the Plan as in effect on such date) shall continue to be Participant under this Article 5 on January 1, 2008. Each other Employee shall be eligible to become a Participant with respect to the DC Restoration Account described in this Article 5 if the Employee is—

(1) a participant under the Retirement and Savings Plan; and

(2) determined by the Committee to be among a select group of management or highly compensated employees.

(b) **Date of Participation.** Each Employee who is eligible to participate under section 5.1(a) shall become a Participant under this Article 5 as of the first day of the month next following the month in which his or her benefits under the Retirement and Savings Plan become limited by Code section 401(a)(17) and/or Code section 415.

(c) **Duration of Participation.** An individual who becomes a Participant under this section 5.1 shall continue as an active Participant under this Article 5 until the earlier of the date on which he or she—

(1) is determined by the Committee as no longer meeting the requirements of section 5.1(a); or

(2) incurs a Separation from Service.

When active participation ends under section 5.1(c)(1) or (2), the individual will continue as an inactive Participant under with respect to the DC Restoration Account until he or she has received a complete distribution of all vested benefits earned under this Article 5.

5.2 Benefits

(a) **Company Match Restoration Benefit.** For each Plan Year, the Company shall credit to the Company Match Restoration Account of each Participant an amount equal to:

(1) the portion of the Participant's Eligible Compensation for the Plan Year that exceeds the limit in effect for such Plan Year under Code section 401(a)(17); multiplied by

(2) the matching contribution percentage that would have applied to the Participant under the Retirement and Savings Plan for such Plan Year assuming that he or she had been contributing at a rate to qualify for the maximum matching contribution percentage under such plan.

(b) **Retirement Contribution Restoration Benefit.** For each Plan Year, the Company shall credit to the Retirement Contributions Restoration Account of each Participant who is eligible to receive a "Retirement Contribution" under the terms of the Retirement and Savings Plan for such Plan Year an amount equal to the difference between—

(1) the annual contribution to which the Participant would be entitled to as a "Retirement Contribution" for such Plan Year (as defined and determined under the Retirement and Savings Plan), calculated without regard to the compensation and benefit limits in effect pursuant to Code sections 401(a)(17) and 415; and

(2) the "Retirement Contributions" (as defined and determined under the Retirement and Savings Plan) actually allocated to the Participant's account under the Retirement and Savings Plan for such Plan Year.

However, notwithstanding the above, a Participant shall be entitled to an allocation under this section 5.2(b) for a Plan Year only if (i) he or she is actively employed on the last day of the Plan Year or (ii) incurs a Separation from Service before the last day of the Plan Year on account of death, disability, or termination of employment after reaching age 55. No credits will be made with respect to this section 5.2(b) after the 2021 Plan Year credit is made.

(c) **Timing.** Contributions under this section 5.2 shall be credited to each Participant's DC Restoration Account at the time or times determined by the Committee within its sole and absolute discretion, but in no event shall contributions for a Plan Year be allocated to a Participant's DC Restoration Account later than March 1 of the next following Plan Year (or as soon as administratively practicable after such date).

5.3 Investment Gains and Losses.
Amounts credited to a Participant's DC Restoration Account shall be adjusted as of each Valuation Date to reflect the earnings and losses that would have occurred had such account actually been invested in the manner described below.

(a) **Investment Funds.** For purposes of this section 5.3, "investment funds" mean the investment funds available under the Retirement and Savings Plan (but excluding the self-directed brokerage account and the Company Sock fund).

(b) **Investment of Contributions.** Contributions allocated to a Participant's Company Match Restoration Account and Retirement Contributions Restoration Account shall be deemed to be invested in one or more investment funds selected by the Participant. The Participant shall direct the investment of these contributions in 1 percent increments, at a time and manner prescribed by the Committee.

A Participant may change his or her deemed investment elections with respect to future contributions (in 1 percent increments) by giving notice of such change to the

Committee at a time and manner prescribed by the Committee. The change shall be effective as soon as administratively practicable following the receipt of such notice.

(c) **Investment Transfers.** Each Participant may elect to transfer any portion of his or her DC Restoration Account that is deemed invested in any particular investment fund to any one or more of the other investment funds by giving notice of such change to the Committee at a time and manner prescribed by the Committee. This change shall be effective as soon as administratively practicable following the receipt of such notice.

(d) **Default Investment.** If a Participant fails to make an election under section 5.3(b), the contributions allocated to the Participant's Company Match Restoration Account under section 5.2(a) and/or the Participant's Retirement Contributions Restoration Account under section 5.2(b) shall be deemed to be invested in the Target Date Retirement Fund.

5.4 Vesting

(a) **Company Match Restoration Account.** A Participant shall at all times have a fully vested interest in his or her Company Match Restoration Account.

(b) **Retirement Contributions Restoration Account.** A Participant will become fully vested in his or her Retirement Contributions Restoration Account upon the earlier of—

(1) completing three Years of Vesting Service; or

(2) attaining age 55 while actively employed by the Company or an Affiliate.

A Participant who incurs a Separation from Service before reaching age 55 or completing three Years of Vesting Service will forfeit all amounts accumulated in his or her Retirement Contributions Restoration Account.

5.5 Distributions Following a Separation from Service

(a) **Time of Payment.** The payment of vested benefits under this Article 5 shall commence as soon as administratively practicable following the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. In no event, however, shall payment commence later than the last day of the Plan Year in which such six-month anniversary occurs (or the 15th day of the third calendar month following such six-month anniversary, if later).

(b) **Form of Payment.** Except as otherwise provided in section 10.3, the Participant's DC Restoration Account shall be distributed as of the benefit payment date determined under section 5.5(a) in the form of three installments, with—

(1) the first installment occurring on the benefit payment date determined under section 5.5(a) above, and comprised of a cash payment equal to one-third of the

amount credited to the Participant's DC Restoration Account as of such payment date;

(2) the second installment occurring in January of the Plan Year next following the Plan Year in which the first installment is paid, and comprised of a cash payment equal to 50 percent of the amount credited to the Participant's DC Restoration Account as of such payment date; and

(3) the third installment occurring in January of the Plan Year next following the Plan Year in which the second installment is paid, and comprised of a cash payment equal to the balance remaining in the Participant's DC Restoration Account as of such payment date.

During the installment distribution period described under this section 5.5(b), the Participant's remaining DC Restoration Account will continue to be adjusted for gains and losses under section 5.3 until such account has been completely distributed.

5.6 Distributions upon the Participant's Death

(a) **Death After the Benefit Commencement Date.** If a Participant dies after having received one or more installment payments under section 5.5, any installment that remains unpaid as of the date of the Participant's death shall be distributed to the Participant's Beneficiary on the same date on which such installment payment would have been distributed to the Participant in accordance with section 5.5(b).

(b) **Death Before the Benefit Commencement Date.** If a Participant dies before his or her benefit commencement date (as determined under section 5.5), the vested balance of the Participant's DC Restoration Account shall be distributed to the Participant's Beneficiary in three installments, with—

(1) the first installment occurring as soon as practicable following the Participant's death, but no later than the last day of the Plan Year in which the Participant died (or the 15th day of the third calendar month following date of the Participant's death, if later), and comprised of a cash payment equal to one-third of the amount credited to the Participant's DC Restoration Account;

(2) the second installment occurring in January of the Plan Year next following the Plan Year in which the first installment is paid, and comprised of a cash payment equal to one-half of the amount credited to the Participant's DC Restoration Account; and

(3) the third installment occurring in January of the Plan Year next following the Plan Year in which the second installment is paid, and comprised of a cash payment equal to the balance remaining in the Participant's DC Restoration Account.

During the installment distribution period described under this section 5.6, the Participant’s DC Restoration Account will continue to be adjusted for gains and losses under section 5.3 until the entire benefit has been completely distributed.

5.7 New Contribution. A new contribution shall be made to the Plan as follows:

(a) Effective Date: This section is effective for Eligible Compensation earned after December 31, 2021;

(b) Eligibility: Any nonunion Employee whose Eligible Compensation during a Plan Year exceeds the Social Security Wage Base in effect for such Plan Year;

(c) Vesting: All contributions made pursuant to this section shall be 100% vested and nonforfeitable;

(d) Contribution Amount: 4% of the amount that the nonunion Employee’s Eligible Compensation exceeds the Social Security Wage Base in effect for such Plan Year.

Article 6. DC SERP Benefit

6.1 Eligibility and Participation

(a) **Eligibility.** An Employee shall be eligible to become a Participant with respect to the DC SERP Benefit described in this Article 6 if he or she—

(1) first becomes an officer of the Company on or after January 1, 2008; and

(2) is determined by the Committee to be among a select group of management or highly compensated employees.

In addition, an Employee who is an active Participant under Article 3 on December 31, 2018, and who remains employed as an officer of the Company on January 1, 2019, shall become a Participant with respect to the DC SERP Benefit described in this Article 6 on January 1, 2019.

(b) **Date of Participation.** Each Employee who is eligible to participate under section 6.1(a) shall become a Participant under this Article 6 as of the first day of the month next following the month in which he or she first meets the eligibility requirements described in section 6.1(a).

(c) **Duration of Participation.** An individual who becomes a Participant under this section 6.1 shall continue as an active Participant under this Article 6 (and be entitled to the benefits described in section 6.2 below) until the earlier of the date on which he or she—

(1) is determined by the Committee as no longer meeting the requirements of section 6.1(a); or

(2) incurs a Separation from Service.

When active participation ends under section 6.1(c)(1) or (2), the individual will continue as an inactive Participant with respect to the DC SERP Benefit until he or she has received a complete distribution of any benefits earned under this Article 6 (or forfeits any such benefits under section 6.4).

6.2 Benefits

(a) **Amount.** For each Plan Year:

(1) the Company shall credit 7.50 percent of each Participant's Eligible Compensation for that Plan Year to his or her DC SERP Account; and

(2) the Company shall provide the Participant with a number of Restricted Stock Units equal to (A) 2.50 percent of the Participant's Eligible Compensation for that Plan Year, divided by (B) the closing price of the Company Stock as of the contribution date determined under section 6.2(b).

(b) **Timing.**

(1) The amount determined under section 6.2(a)(1) for any Plan Year shall be credited to the Participant's DC SERP Account as of a date or dates selected by the Committee within its sole and absolute discretion, but in no event shall these amounts be credited later than March 1 of the next following Plan Year (or as soon as administratively practicable after such date).

(2) The Restricted Stock Units determined under section 6.2(a)(2) for any Plan Year shall be issued to the Participant as of a date or dates selected by the Committee within its sole and absolute discretion, but in no event shall these Restricted Stock Units be issued later than March 1 of the next following Plan Year (or as soon as administratively practicable after such date).

6.3 Investment Gains and Losses.

(a) **DC SERP Account:** A Participant's DC SERP Account shall be adjusted for earnings as of each Valuation Date at a rate equal to 120 percent of the Federal long-term rate as determined under Code section 1274(d) for January of the Plan Year in which the Valuation Date occurs.

(b) **Restricted Stock Units:** Each Participant shall be entitled to the following with respect to his or her Restricted Stock Units:

(1) **Cash Dividends.** Whenever the Company pays a cash dividend with respect to Company Stock, the Company will issue an additional number of Restricted Stock Units to a Participant under this Article 6 equal to—

(A) the number of Restricted Stock Units held by the Participant as of the date of record for such dividend; multiplied by

(B) the per share cash dividend amount; divided by

(C) the closing price of the Company's Stock on the dividend payment date.

(2) **Stock Dividends.** Whenever the Company pays a stock dividend with respect to Company Stock, the Company will issue an additional number of Restricted Stock Units to a Participant under this Article 6 equal to—

(A) the number of Restricted Stock Units held by the Participant as of the date of record for such dividend; multiplied by

(B) the per share stock dividend rate.

6.4 Vesting

A Participant shall become vested in both the DC SERP Account and his or her Restricted Stock Units upon attaining age 55 and completing five Years of Vesting Service as an officer. A Participant who incurs a Separation from Service before reaching age 55 or before completing five Years of Vesting Service as an officer will forfeit all amounts accumulated in his or her DC SERP Account and all of the Restricted Stock Units granted under this Article 6.

6.5 Distributions Following a Separation from Service

(a) **Time of Payment.** The payment of vested benefits under this Article 6 shall commence as soon as administratively practicable following the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. In no event, however, shall payment commence later than the last day of the Plan Year in which such six-month anniversary occurs (or the 15th day of the third calendar month following such six-month anniversary, if later).

(b) **Form of Payment.** Except as otherwise provided in section 10.3, the Participant's vested benefit under this Article 6 shall be distributed as of the benefit payment date determined under section 6.5(a) in the form of three installments, with—

(1) the first installment occurring on the benefit payment date determined under section 6.5(a), and comprised of—

(A) a cash payment equal to one-third of the amount credited to the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to one-third of the number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash);

(2) the second installment occurring in January of the Plan Year next following the Plan Year in which the first installment is paid, and comprised of—

(A) a cash payment equal to one-half of the amount credited to the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to one-half of the number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash); and

(3) the third installment occurring in January of the Plan Year next following the Plan Year in which the second installment is paid, and comprised of –

(A) a cash payment equal to the balance remaining in the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to remaining number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash).

During the installment distribution period described under this section 6.5(b), the Participant's DC SERP Benefit will continue to be adjusted for gains and losses under section 6.3 until the entire benefit has been completely distributed.

6.6 Distributions Upon the Participant's Death

(a) **Death After the Benefit Commencement Date.** If a Participant dies after having received one or more installment payments under section 6.5, any installment that remains unpaid as of the date of the Participant's death shall be distributed to the Participant's Beneficiary on the same date (and in the same manner) on which such installment payment would have been distributed to the Participant in accordance with section 6.5(b).

(b) **Death Before the Benefit Commencement Date.** If a Participant dies before his or her benefit commencement date (as determined under section 6.5), the Participant's vested DC SERP Benefit shall be distributed to the Participant's Beneficiary in three installments, with—

(1) the first installment occurring as soon as administratively practicable following the Participant's death, but no later than the last day of the Plan Year in which the Participant died (or the 15th day of the third calendar month following date of the Participant's death, if later), and comprised of—

(A) a cash payment equal to one-third of the amount credited to the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to one-third of the number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash);

(2) the second installment occurring in January of the Plan Year following the Plan Year in which the first installment is paid, and comprised of—

(A) a cash payment equal to one-half of the amount credited to the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to one-half of the number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash); and

(3) the third installment occurring in January of the Plan Year following the Plan Year in which the second installment is paid, and comprised of –

(A) a cash payment equal to the balance remaining in the Participant's DC SERP Account as of such payment date; and

(B) a number of shares of Company Stock equal to the remaining number of the Participant's Restricted Stock Units as of such payment date (rounded down to the nearest whole number with the any remaining fractional Restricted Stock Unit converted to, and distributed as, cash).

During the installment distribution period described under this section 6.6(b), the Participant's DC SERP Benefit will continue to be adjusted for gains and losses under section 6.3 until the entire benefit has been completely distributed.

Article 7. Participation Agreements

7.1 Social Security Bridge Benefit

(a) **Eligibility.** An Employee shall be eligible to become a Participant with respect to the Social Security bridge benefit described in this section 7.1 if he or she—

(1) is determined by the Committee to be among a select group of management or highly compensated employees; and

(2) has entered into a Participation Agreement requiring his or her immediate retirement from the Company and its Affiliates in exchange for the Social Security bridge benefit described below.

An individual who has met the eligibility requirements described in sections 7.1(a)(1) and (2) shall become a Participant with respect to the Social Security bridge benefit as of the first day of the month next following the month in which he or she incurred a Separation from Service. Such Participant shall continue as an inactive Participant under this Article 7 until he or she has received a complete distribution of all benefits to which he or she is entitled under his or her individual Participation Agreement.

(b) **Amount.** The Social Security bridge benefit payable pursuant to a Participation Agreement shall be a monthly payment equal to the amount specified in the Participant's Participation Agreement (but not to exceed the estimated monthly benefit the Participant would be entitled to under the Social Security Act commencing at age 62).

(c) **Commencement.**

(1) **In General.** Except as otherwise provided in section 7.1(c)(2), the monthly Social Security bridge benefit described in this section 7.1 shall commence on the first day of the month next following the month in which the Participant incurred a Separation from Service.

(2) **Delayed Commencement for Key Employees.** If the Participant is a Key Employee upon his or her Separation from Service, payment of the Social Security bridge benefit described in this section 7.1 shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. However, the first benefit payment will include the payments (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the date determined under section 7.1(c)(1).

(d) **Duration.** The payment of the monthly Social Security bridge benefit under this section 7.1 shall cease as of the first day of the month next following the earlier of—

(1) the month in which the Participant attains age 62; or

(2) the month of the Participant’s death.

7.2 Pension Enhancement.

(a) **Eligibility.** An Employee shall be eligible to become a Participant with respect to the pension enhancement described in this section 7.2 if he or she—

(1) has an accrued benefit under the Qualified Pension Plan or the Pension Plan for Inactive Participants;

(2) would be entitled to an immediate normal or early retirement benefit under the Qualified Pension Plan or Pension Plan for Inactive Participants (as applicable) upon his or her Separation from Service;

(3) is determined by the Committee to be among a select group of management or highly compensated employees; and

(4) has entered into a Participation Agreement requiring his or her immediate retirement from the Company and its Affiliates in exchange for the pension enhancement described below.

An individual who has met the eligibility requirements described in this section 7.2(a) shall become a Participant under this section 7.2 as of the first day of the month next following the month in which he or she incurred a Separation from Service. Such Participant shall continue as an inactive Participant under this Article 7 until he or she has received a complete distribution of all benefits provided for under his or her individual Participation Agreement.

(b) **Amount.**

(1) **Executive Benefit Participants.** The pension enhancement payable under a Participation Agreement on behalf of a Participant who is also entitled to an Executive Benefit under Article 3 shall equal (A) minus the sum of (B), (C), and (D) where:

(A) is the Gross Executive SERP Benefit determined as of the Participant’s benefit commencement date under Article 3, but calculated—

(i) assuming the Participant’s Years of Benefit Service are a stated number of years greater than his or her actual Years of Benefit Service (as specified in the individual Participation Agreement); and

(ii) assuming the Participant’s age as of the date of his or her Separation from Service is a stated number of years older than his or her actual age (as specified in the individual Participation Agreement);

(B) is the Net Executive SERP Benefit actually payable to the Participant as of the benefit commencement date determined under Article 3 (and calculated without regard to the additional Years of Benefit Service and years of age specified under section 7.2(b)(1)(A));

(C) is the Gross Executive Restoration Benefit determined as of the Participant's benefit commencement date under Article 3 (and calculated without regard to the additional Years of Benefit Service and years of age specified under section 7.2(b)(1)(A)); and

(D) is the Participant's Social Security Benefit (with such offset applied as of the later of the Participant's benefit commencement date under Article 3 or the first day of the month next following the month in which the Participant reaches age 62).

(2) **DB Restoration Participants.** The pension enhancement payable under a Participation Agreement on behalf of a Participant who is also entitled to a DB Restoration Benefit under Article 4 shall be calculated initially as a Single Life Annuity equal to (A) minus (B) where:

(A) is the monthly benefit to which the Participant would be entitled under Article 4 as of the first day of the month next following the month in which the Participant incurs a Separation from Service , but calculated —

(i) assuming the Years of Benefit Service used in the calculation of the amount described in section 4.2(b)(1) are a stated number of years greater than his or her actual Years of Benefit Service (as specified in the individual Participation Agreement); and

(ii) assuming the Participant's age as of the date of his or her Separation from Service that is used in calculating the reductions under section 4.3(b) or 4.4(b) (as applicable) is a stated number of years older than his or her actual age (as specified in the individual Participation Agreement); and

(B) is the monthly benefit actually payable to the Participant under Article 4 as of the first day of the month next following the month in which the Participant incurs a Separation from Service (and calculated without regard to the additional Years of Benefit Service and years of age specified under section 7.2(b)(2)(A)).

(3) **Other Participants.** The pension enhancement payable under a Participation Agreement on behalf of a Participant who is not entitled to a benefit under Article 3 or Article 4 shall be calculated initially as a Single Life Annuity equal to (A) minus (B) where:

(A) is the monthly accrued benefit to which the Participant would be entitled under the Qualified Pension Plan or the Pension Plan for Inactive

Participants (as applicable) commencing as of the first day of the month next following the month in which the Participant incurs a Separation from Service, but calculated—

(i) without regard to the compensation and benefit limits in effect under Code sections 401(a)(17) and 415;

(ii) assuming the Participant's Years of Benefit Service are a stated number of years greater than his or her actual Years of Benefit Service (as specified in the individual Participation Agreement); and

(iii) assuming the Participant's age as of the date of his or her Separation from Service is a stated number of years older than his or her actual age (as specified in the individual Participation Agreement); and

(B) is the monthly benefit actually payable to the Participant under the Qualified Pension Plan or the Pension Plan for Inactive Participants (as applicable) as of the first day of the month next following the month in which the Participant incurs a Separation from Service (as limited by Code sections 401(a)(17) and 415 and calculated without regard to the additional Years of Benefit Service and years of age specified under section 7.2(b)(3)(A)).

(c) **Commencement.**

(1) **Executive Benefit Participants.** The pension enhancement payable to a Participant who is also entitled to an Executive Benefit under Article 3 shall commence on the Participant's benefit commencement date as determined under Article 3.

(2) **DB Restoration Participants.** The pension enhancement payable to a Participant who is also entitled to a DB Restoration Benefit under Article 4 shall commence on the Participant's benefit commencement date as determined under Article 4.

(3) **Other Participants.**

(A) **General Rule.** Except as otherwise provided in section 7.2(c)(3)(B), the pension enhancement payable to a Participant who is not described in section 7.2(c)(1) or (2) shall commence on the first day of the month next following the month in which the Participant incurs a Separation from Service.

(B) **Delayed Commencement for Key Employees.** If a Participant described in this section 7.2(c)(3) is a Key Employee upon his or her Separation from Service, payment of the pension enhancement described in this section 7.2 shall commence as of the first day of the month next following the month in which the six-month anniversary of the Participant's Separation from Service occurs. However, the first benefit payment will include the payments (with no adjustment for interest) the Participant would have received had his or her benefit commencement date been the date determined under section 7.2(c)(3)(A).

(d) **Form of Payment.**

(1) **Executive Benefit Participant.** The pension enhancement payable to a Participant who is also entitled to an Executive Benefit under Article 3 shall be distributed to the Participant in the same form (and with the same Beneficiary) as his or her Net Executive SERP Benefit. (If this pension enhancement is distributed in a form other than a Joint and 75 Percent Survivor Annuity, the amount payable shall be the Actuarial Equivalent of such Joint and 75 Percent Survivor Annuity, as determined under section 3.6(b).)

(2) **DB Restoration Participant.** The pension enhancement payable to a Participant who is also entitled to a DB Restoration Benefit under Article 4 shall be distributed to the Participant in the same form (and with the same Beneficiary, as applicable) as his or her DB Restoration Benefit. (If this pension enhancement is distributed in a form other than a Single Life Annuity, the amount payable shall be the Actuarial Equivalent of the Single Life Annuity calculated under section 7.2(b)(2) above.)

(3) **Other Participants.** In lieu of the Single Life Annuity determined under section 7.2(b)(3), a Participant who is not described in section 7.2(d)(1) or (d)(2) may elect instead, at any time before his or her benefit commencement date and in a manner specified by the Committee, to receive his or her pension enhancement in any one of the following forms of payment (each of which shall be the Actuarial Equivalent of the Single Life Annuity):

(A) Joint and 50 Percent Survivor Annuity;

(B) Joint and 75 Percent Survivor Annuity;

(C) Joint and 100 Percent Survivor Annuity;

(D) Five-Year Certain and Life Annuity; or

(E) 10-Year Certain and Life Annuity.

Article 8.Financing and Administration

8.1 Financing

(a) **General Creditors.** The Plan constitutes a mere promise of the Company to make payments in accordance with the terms of the Plan. This Plan does not give any Participant or Beneficiary any interest, lien, or claim in or against any specific assets of the Company or any Affiliate. Each Participant and Beneficiary shall have only the rights of general, unsecured creditors of the Company and its Affiliates with respect to their rights under the Plan.

(b) **Allocation among Employers.** The obligation to pay Plan benefits shall be the obligation of the Employers whose Employees are Participants entitled to such benefits. Except to the extent provided in section 8.1(c), each Employer shall provide the benefits described in the Plan to its Employees from its general assets. However, the Company may, in its sole discretion, allocate the total liability to pay benefits under the Plan among the Employers in such manner and amounts as it deems appropriate.

(c) **Alternative Funding.** The Company may, but shall not be required to, establish a grantor trust as a funding source for its obligations under the Plan. If such a trust is established, it shall constitute an unfunded arrangement for purposes of the Plan, and the Plan shall continue to be an unfunded plan maintained for the purpose of providing deferred compensation to a select group of management or highly compensated employees under ERISA. With respect to any Participant, the assets of any such trust shall remain subject to the claims of the creditors of that Participant's Employer in the event of the Employer's bankruptcy or insolvency. However, to the extent that funds placed in a trust and allocable to the benefits payable under the Plan are sufficient, the trust assets may be used to pay benefits under the Plan. If such trust assets are not sufficient to pay all benefits due under the Plan, then the appropriate Employer shall have the obligation, and the Participant or Beneficiary who is due such benefits shall look to such Employer to provide such benefits.

8.2 The Committee

The Plan shall be administered by the Committee which is made up of at least three, but no more than seven, members. Members are comprised of certain Sonoco Human Resource and Finance professionals as appointed by the Vice President, Human Resources. The Vice President, Human Resources has the authority to remove Committee members and appoint replacements. Any member of the Committee may resign by delivering his or her written resignation to the Vice President, Human Resources.

8.3 Manner of Action

A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions adopted, and other actions taken by the Committee at any meeting shall be by the vote of a majority of those present at any such meeting. Upon obtaining the written consent of a majority of the members at the time in office, action of the Committee may be taken otherwise than at a meeting.

8.4 Committee's Powers and Duties
The Committee shall have responsibility for the general administration of the Plan and for carrying out the Plan's provisions. The Committee shall have such powers and duties as may be necessary to discharge its functions hereunder, including, but not limited to, the following:

(a) To construe and interpret the Plan, to supply all omissions from, correct deficiencies in and resolve ambiguities in the language of the Plan, and to determine any question arising under the Plan or in connection with the administration or operation thereof;

(b) To decide all questions of eligibility;

(c) To determine the amount, manner, and time of payment of any benefits that may be payable to any person;

(d) With the advice of an actuary, from time to time to adopt, for purposes of the Plan, such actuarial and other tables as it may deem necessary or appropriate for the operation of the Plan;

(e) To obtain from individuals such information as shall be necessary for the proper administration of the Plan and, when appropriate, to furnish such information promptly to the persons entitled thereto;

(f) To prepare and distribute, in such manner as the Company determines to be appropriate, information explaining the Plan;

(g) To establish rules for the administration of the Plan;

(h) To maintain the necessary records, as determined by the Company in its sole discretion, of the administration of the Plan;

(i) To authorize all disbursements by the Employers pursuant to the Plan;

(j) To prepare and file, or respond to any governmental forms or documents;

(k) To designate Affiliates as Employers as described in section 9.5 (to the extent authorized by the Board);

(l) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(m) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and

(n) To exercise such other powers as are not inconsistent with the intent and purposes of this Plan.

8.5 Delegation of Powers and Duties

(a) **Subcommittees.** The Committee may appoint one or more subcommittees and delegate such of its power and duties as it deems desirable to any such subcommittee, in which case every reference made herein to the Committee shall be deemed to include the subcommittees as to matters within their jurisdiction.

(b) **Specialists.** The Committee may authorize one or more of their members or any agent to execute or deliver any instrument or instruments on their behalf, and may employ such counsel, auditors, and other specialists and such clerical, actuarial, and other services as they may require in carrying out the provisions of the Plan.

8.6 Committee’s Decisions Conclusive

The Committee shall have the exclusive right and discretionary authority to interpret the terms and provisions of the Plan and to resolve all questions arising hereunder, including the right to resolve and remedy ambiguities, inconsistencies, or omissions in the Plan; provided, however, that the construction necessary for the Plan to conform to the Code and ERISA shall in all cases control. Benefits under this Plan shall be paid only if the Committee decides in its discretion that the applicant is entitled to them. Any and all disputes with respect to the Plan that may arise involving Participants, Beneficiaries or alternate payees shall be referred to the Committee and its decisions shall be final, conclusive, and binding. All findings of fact, interpretations, determinations, and decisions of the Committee in respect of any matter or question arising under the Plan shall be final, conclusive, and binding upon all persons, including, without limitation, Employees, Participants, Beneficiaries, alternate payees, and any and all other persons having, or claiming to have, any interest in or under the Plan. The decisions of the Committee shall be given the maximum possible deference allowed by law.

8.7 Compensation, Indemnity and Liability

Committee members shall serve without compensation for services hereunder. All expenses of the Committee shall be paid by the Employers. No member of the Committee shall be liable for any act or omission of any other member of the Committee, or for any act or omission on his or her own part, except with regard to his or her own willful misconduct. The Employers shall indemnify and hold harmless the Committee and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Committee, excepting only expenses and liabilities arising out of his or her own willful misconduct.

8.8 Notice of Address

Each person entitled to benefits from the Plan must file with the Committee or its agent, in writing, his or her post office address and each change of post office address. Any communication, statement, or notice addressed to such a person at his or her latest reported post office address will be binding for all purposes of the Plan, and neither the Committee nor the Company shall be obliged to search for or ascertain such person’s whereabouts.

8.9 Data

All persons entitled to benefits from the Plan must furnish to the Company such documents, evidence, or information, including information concerning marital status, as the Company considers necessary or desirable for the purpose of administering the Plan.

8.10 Benefit Claims Procedures

This section 8.10 shall be subject to, and shall apply to the extent required under, Department of Labor Regulations section 2560.503-1 (relating to the requirements of claims procedures). All decisions made under the procedures described in this section shall be final and there shall be no further right of appeal.

(a) No lawsuit may be initiated by any person before fully pursuing the procedures set forth in this Plan section, including the appeal permitted under section 8.10(d). The right of a Participant, Beneficiary, alternate payee, or any other person entitled to claim a benefit under the Plan shall be determined by the Committee; provided, however, that the Committee may delegate its responsibility to any person. All persons entitled to claim a benefit under the Plan shall be referred to as a “Claimant” for purpose of this section 8.10. The term “Claimant” shall also include, where appropriate to the context, any person authorized to represent the Claimant under procedures established by the Committee.

(1) The Claimant may file a claim for benefits by written notice to the Committee.

(2) Any such claim shall be filed with the Committee no later than 18 months after the date that a transaction occurred, or should have occurred, with respect to a Claimant’s benefits under the Plan. The Committee in its sole discretion shall determine whether this limitation period has been exceeded.

(b) If a claim for benefits is wholly or partially denied, the Committee shall, within a reasonable period of time, but no later than 90 days after receipt of the claim, notify the Claimant of the denial of benefits. In the case of a claim, if special circumstances justify extending the period up to an additional 90 days, the Claimant shall be given written notice of this extension within the initial 90-day period, and such notice shall set forth the special circumstances and the date on which a decision is expected.

(c) A notice of denial:

(1) shall be written in a manner calculated to be understood by the Claimant; and

(2) shall contain:

(A) the specific reasons for denial of the claim;

(B) specific reference to the Plan provisions on which the denial is based;

(C) a description of any additional material or information necessary for the Claimant to perfect the claim, along with an explanation as to why such material or information is necessary; and

(D) an explanation of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

(d) Within 60 days of the receipt by the Claimant of the written denial of his or her claim or, if the claim has not been granted, within a reasonable period of time (which shall not be less than the applicable time period specified in section 8.10(b)), the Claimant may file a written request with the Committee that it conduct a full review of the denial of the claim. In connection with the Claimant's appeal, upon request, the Claimant may review and obtain copies of all documents, records and other information relevant to the Claimant's claim for benefits, but not including any document, record or information that is subject to any attorney-client or work-product privilege or whose disclosure would violate the privacy rights or expectations of any person other than the Claimant. The Claimant may submit issues and comments in writing and may submit written comments, documents, records, and other information relating to the claim for benefits. All comments, documents, records, and other information submitted by the Claimant shall be taken into account in the appeal without regard to whether such information was submitted or considered in the initial benefit determination.

(e) The Committee shall deliver to the Claimant a written decision on the claim promptly, but no later than 60 days after the receipt of the Claimant's request for such review, unless special circumstances exist that justify extending this period up to an additional 60 days. If the period is extended, the Claimant shall be given written notice of this extension during the initial 60-day period and such notice shall set forth the special circumstances and the date a decision is expected. The decision on review of the denial of the claim shall:

(1) be written in a manner calculated to be understood by the Claimant;

(2) include specific reasons for the decision;

(3) contain specific references to the Plan provisions on which the decision is based;

(4) contain a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and other information relevant to the Claimant's claim for benefits; and

(5) contain a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

Article 9.Amendment and Termination

9.1 Amendments

The Company must necessarily and does hereby reserve the right to amend or modify the Plan at any time by action of the Executive Compensation Committee of the Board or by written action of the Vice President of Human Resources (but only with respect to an amendment that does not materially affect the plan's eligibility provisions, benefit amounts, or costs). However, no amendment will be permitted which would have the effect of reducing or eliminating any benefits earned by a Participant (including both vested and nonvested benefits) under the Plan as of the later of the date on which the amendment is adopted or the date on which the amendment is effective.

9.2 Termination and Liquidation of Plan

The Company, through action of the Executive Compensation Committee of the Board, reserves the right to terminate and liquidate the Plan, or any portions of the Plan, at any time, for any reason provided such action does not result in the assessment of additional tax and/or interest under Code section 409A. Any such action shall be taken by such committee in the form of a written Plan amendment executed by a duly authorized officer of the Company or a member of the Executive Compensation Committee of the Board. However, no action taken under this section 9.2 shall have the effect of decreasing the level of benefits which a Participant would be entitled to receive under the Plan if he or she incurred a Separation from Service with the Company and all Affiliates on the later of:

(a) The date the resolution to terminate and discontinue the Plan is adopted, or

(b) The date the resolution to terminate and discontinue the Plan is effective.

If the Plan (or portion of the Plan) is terminated under this section 9.2, all Plan benefits affected by such termination that are earned as of the effective date of such termination shall be treated as fully vested and nonforfeitable and shall be distributed in a single sum as of any date (as determined by the Committee) that would not result in the assessment of additional tax and/or interest under Code section 409A.

9.3 Successors

In case of the merger, consolidation, liquidation, dissolution or reorganization of an Employer, or the sale by an Employer of all or substantially all of its assets, provision may be made by written agreement between the Company and any successor corporation acquiring or receiving a substantial part of the Employer's assets, whereby the Plan shall be continued by the successor. If the Plan is to be continued by the successor, then effective as of the date of the reorganization or transfer, the successor corporation shall be substituted for the Employer under the Plan. To the extent applicable, such written agreement may also specify no later than the closing date of an asset purchase transaction, whether Employees covered by the transaction shall incur a Separation from Service. The substitution of a successor corporation for an Employer shall not in any way be considered a termination of the Plan.

9.4 Prohibition on Changes Due to Code Section 409A

Notwithstanding the foregoing, the Plan may not be amended or terminated in any manner that would result in the assessment of additional taxes under Code section 409A, as determined by the Executive Compensation Committee of the Board in its sole discretion and in accordance with the advice of counsel.

9.5 Employer Participation and Termination

The Board or, if authorized by the Board, the Committee may designate any Affiliate as an Employer under this Plan. The Affiliate shall become an Employer and a party to this Plan upon acceptance of such designation effective as of the date specified by the Board or Committee.

(a) **Conditions of Participation**. By accepting such designation or continuing as a party to the Plan, each Employer acknowledges that:

(1) It is bound by such terms and conditions relating to the Plan as the Company or the Committee may reasonably require;

(2) It has authorized the Company and the Committee to act on its behalf with respect to Employer matters pertaining to the Plan; and

(3) It shall cooperate fully with the Plan officials and their agents by providing such information and taking such other actions, as they deem appropriate for the efficient administration of the Plan.

(b) **Withdrawal by Affiliate.** Subject to the concurrence of the Board or Committee, any Affiliate may withdraw from the Plan, and end its status as an Employer hereunder, by communicating in writing to the Committee its desire to withdraw. The withdrawal shall be effective as of the date agreed to by Board or Committee, as the case may be, and the Affiliate. Upon such withdrawal, the Plan shall not be terminated with respect to such Affiliate until all Plan benefits have been distributed to Participants affected by such termination in accordance with other provisions of this Plan.

(c) **Termination by Company.** The Company, acting through the Board or, if authorized by the Board, the Committee, reserves the right, in its sole discretion and at any time, to terminate the participation in this Plan of any Employer. Such termination shall be effective immediately upon the notice of such termination from the Company or such later effective date agreed to by the Company. Upon such termination, this Plan shall not be terminated with respect to such Affiliate until all Plan benefits have been distributed to Participants affected by such termination in accordance with other provisions of this Plan.

Article 10. Miscellaneous Provisions

10.1 Taxation

It is the intention of the Company that the benefits payable hereunder shall not be taxable for federal income tax purposes to Participants or Beneficiaries until such benefits are paid by the Employers to such Participants or Beneficiaries. Without limiting the foregoing, it is intended that Participants will not be subject to the additional tax under Code section 409A and the Committee shall use its reasonable best efforts to interpret and administer the Plan so as to avoid this additional tax. When benefits are paid hereunder, it is the intention of the Company that they shall be deductible by the Employers under Code section 162.

10.2 Withholding on Distributions

All distributions shall be net of any applicable federal, state, or local income or employment taxes or any other amounts required to be withheld by law. In addition, the Company or any Affiliate may withhold from a Participant’s currently payable salary, bonus, or other compensation any applicable federal, state, or local income or employment taxes that may be due upon accruing benefits under the Plan.

10.3 Benefit Cash-out

(a) **Cash-Out of Retirement Benefits.**

(1) If the Actuarial Equivalent lump sum value of the benefits payable to a Participant under Article 3, Article 4, Article 7, and all other “nonaccount balance plans” of the Company and its Affiliates does not exceed the limit in effect under Code section 402(g)(1)(B), the Committee may, in its sole discretion, distribute all such benefits under Article 3, Article 4, and Article 7 to the Participant in a single lump sum payment if all of the Participant’s other nonaccount balance plan benefits are also paid in a single lump sum payment as of the same date. To the extent that a distribution is being made under this section 10.3(a)(1) on account of a Participant’s Separation from Service (for reasons other than the Participant’s death), and such Participant is a Key Employee upon his or her Separation from Service, the single lump sum payment described in this section 10.3(a)(1) shall not be paid before the end of the six-month period following the Participant’s Separation from Service.

(2) If the benefits payable to a Participant under Article 5, Article 6, and all other “account balance plans” of the Company and its Affiliates do not exceed the limit in effect under Code section 402(g)(1)(B), the Committee may, in its sole discretion, distribute all such benefits under Article 5 and Article 6 to the Participant in a single lump sum payment if all of the Participant’s other account balance plan benefits are also paid in a single lump sum payment as of the same date. To the extent that a distribution is being made under this section 10.3(a)(2) on account of a Participant’s Separation from Service (for reasons other than the Participant’s death), and such Participant is a Key Employee upon his or her

Separation from Service, the single lump sum payment described in this section 10.3(a)(2) shall not be paid before the end of the six-month period following the Participant's Separation from Service.

(b) **Cash-Out of Pre-Retirement Death Benefits.** If the Actuarial Equivalent lump sum value of all preretirement death benefits that become payable to a Participant's surviving spouse under Article 3, Article 4, and all other "nonaccount balance plans" of the Company and all Affiliates does not exceed the limit in effect under Code section 402(g)(1)(B), the Committee may, in its sole discretion, distribute to the surviving spouse in a single lump sum payment all preretirement death benefits to which he or she is entitled to under Article 3 and Article 4 if all of such surviving spouse's other nonaccount balance plan benefits are also paid in a single lump sum payment as of the same date.

(c) **Definitions.**

(1) For purposes of this section 10.3, a "nonaccount balance plan" is a plan that meets the requirements of Treasury Regulation section 1.409A-1(c)(2)(i)(C) and which must be aggregated with this Plan under this regulation.

(2) For purposes of this section 10.3, an "account balance plan" is a plan that meets the requirements of Treasury Regulation section 1.409A-1(c)(2)(i)(A) and which must be aggregated with this Plan under this regulation.

10.4 Permissible Delays or Accelerations

If the Committee determines, in its sole and absolute discretion, that it would be advisable to delay or accelerate the payment of a Participant's Plan benefits (*e.g.*, a delay to comply with Code section 162(m) or an acceleration to pay employment taxes), the Committee may (again in its sole and absolute discretion) either delay or accelerate the payment of a Participant's Plan benefit in accordance with Code section 409A.

10.5 No Enlargement of Employment Rights

This Plan is strictly a voluntary undertaking on the part of the Company and the Employers and shall not be deemed to constitute a contract between the Employers and any Employee or Participant, Beneficiary, or alternate payee, or to be consideration for, or an inducement to, or a condition of, the employment of any Employee. Nothing contained in this Plan or any modification of the same or act done in pursuance hereof shall be construed as giving any person any legal or equitable right against the Company or an Affiliate, unless specifically provided herein, or as giving any person a right to be retained in the employ of the Company or an Affiliate. All Participants shall remain subject to assignment, reassignment, promotion, transfer, layoff, reduction, suspension, and discharge to the same extent as if this Plan had never been established.

10.6 Non-Alienation

(a) Except as otherwise permitted by the Plan, no benefit payable at any time under the Plan shall be subject to the debts or liabilities of a Participant or his or her Beneficiary.

Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. Except as provided in section 10.6(b), no benefit under the Plan shall be subject in any manner to attachment, garnishment, or encumbrance of any kind.

(b) Payment may be made from a Participant's Plan benefits to an alternate payee pursuant to a domestic relations order.

(1) The Committee shall establish reasonable written procedures for reviewing court orders pursuant to state domestic relations law (including a community property law), relating to child support, alimony payments, or marital property rights of a spouse, former spouse, child, or other dependent of a Participant and for notifying Participants and alternate payees of the receipt of such orders and of the Plan's procedures for determining if the orders are domestic relations orders and for administering distributions under domestic relations orders.

(2) Except as may otherwise be required by applicable law, such domestic relations orders may not require a retroactive transfer of all or part of a Participant's Plan benefits.

10.7 Code Section 409A Aggregation Rules

The Company has the authority to provide to any individual or individuals selected by the Company or Committee benefits under the Plan or under a separate agreement, method, program or other arrangement. To the extent that any such separate agreement, method or arrangement constitutes an "account balance plan" (as defined in section 10.3(c)(2)), it shall be aggregated with the benefits provided under Articles 5 and 6 to the extent required by Code section 409A. To the extent that any such separate agreement, method or arrangement constitutes a "nonaccount balance plan" (as defined in section 10.3(c)(1)), it shall be aggregated with the benefits provided under Articles 3, 4, and 7 to the extent required by Code section 409A.

10.8 No Examination or Accounting

Neither this Plan nor any action taken thereunder shall be construed as giving any person the right to an accounting or to examine the books or affairs of the Company or any Affiliate.

10.9 Incompetency

Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the date on which the Committee receives a written notice, in a form and manner acceptable to the Committee, that such person is incompetent or a minor, for whom a guardian or other person legally vested with the care of his or her person or estate has been appointed. However, if the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his or her affairs because of incompetency, or is a minor, any payment due (unless a prior claim therefore shall have been made by a duly appointed legal representative) may be paid instead to the guardian of such person or to the person having custody of such person, without further liability on the part of an Employer for the amount of such payment to the person on whose account such payment is made.

10.10 Records Conclusive
The records of the Company, Employer and the Committee shall be conclusive in respect to all matters involved in the administration of the Plan.

10.11 Service of Legal Process
The members of the Committee and the Secretary of the Company are hereby designated agents of the Plan for the purpose of receiving service of summons, subpoena, or other legal process.

10.12 Qualified Military Service
Notwithstanding any provision of this Plan to the contrary, benefits and service credits with respect to qualified military service shall be provided in accordance with Code section 414(u).

10.13 Counterparts
This Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All the counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

10.14 Forfeiture
Notwithstanding any provision in this Plan to the contrary, a Participant will forfeit his or her Net Executive SERP Benefit under Article 3 (including all survivor benefits) and DC SERP Benefit under Article 6 (including all survivor benefits), as applicable, if within three years of his or her Separation from Service, such Participant—

(a) enters into any activity which competes with any business conducted by the Company or an Affiliate in any geographic area where the Company or an Affiliate has established a place of business, unless the Participant receives the Committee’s prior written consent;

(b) interferes with the relations between the Company or an Affiliate and any customer; or

(c) engages in any activity which can reasonably be expected to result in any decrease of or loss in profits by the Company or an Affiliate.

****

In Witness Whereof, the authorized officers of the Company have signed this document and have affixed the corporate seal on February 16, 2022, but effective as of January 1, 2022.

Sonoco Products Company

By /s/John Florence

John Florence, Vice President, General Counsel, Human Resources and Secretary

Attest

By /s/Julie Albrecht
Julie Albrecht, Vice President
and Chief Financial Officer

(CORPORATE SEAL)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES
SUBSIDIARIES OF THE REGISTRANT

1	2103393 Ontario, Inc., a 100%-owned foreign subsidiary, incorporated in Canada
2	APEI UK Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
3	APEI Unlimited IOM, a 100%-owned foreign subsidiary, incorporated in Isle of Man
4	Beteiligungen Sonoco Deutschland Vermogensverwaltungsgesellschaft mbh, a 100%-owned foreign subsidiary, incorporated in Germany
5	Cap Liners Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
6	Capseals Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
7	Capseals Liners Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
8	Cascades Sonoco Inc. (fka Cascades Conversion Inc), a 50%-owned foreign subsidiary, incorporated in Canada
9	Clear Lam Flexible Films (Nanjing) Co., Ltd., a 100%-owned foreign subsidiary, incorporated in China
10	Clear Pack Company, a 100%-owned domestic subsidiary, incorporated in Illinois
11	Colombiana P.M., LLC, a 100%-owned domestic subsidiary, incorporated in Delaware
12	Conitex Sonoco (Mexico), S. de R.L. de C.V., a 100% owned foreign subsidiary, incorporated in Mexico
13	Conitex Sonoco Hellas S.A., a 100% owned foreign subsidiary, incorporated in Greece
14	Conitex Sonoco Holding B.V., a 100% owned foreign subsidiary, incorporated in the Netherlands
15	Conitex Sonoco India Pvt. Ltd., a 100% owned foreign subsidiary, incorporated in India
16	Conitex Sonoco N.V., a 100%-owned foreign subsidiary, incorporated in Antilles
17	Conitex Sonoco Shanghai Ltd., a 100% owned foreign subsidiary, incorporated in China
18	Conitex Sonoco Suzhou Co. Ltd., a 100% owned foreign subsidiary, incorporated in China
19	Conitex Sonoco Taiwan Ltd., a 100% owned foreign subsidiary, incorporated in Taiwan
20	Conitex Sonoco USA, Inc., a 100%-owned domestic subsidiary, incorporated in North Carolina
21	Conitex Sonoco, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
22	Convex Mold, Inc., a 100%-owned domestic subsidiary, incorporated in Michigan
23	Corenso North America, a 100%-owned domestic subsidiary, incorporated in Delaware
24	Corenso Richmond, LLC a 100%-owned domestic subsidiary, incorporated in Delaware
25	Corepak Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
26	CP Acquisition, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
27	Engraph Puerto Rico, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
28	Fair Lawn Packaging Services, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
29	Friarsgate Studio Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
30	Graffo Paranaense De Embalagens, S.A., a 66.67%-owned foreign subsidiary, incorporated in Brazil
31	Grove Mill Paper Company Limited, a 99.9%-owned foreign subsidiary, incorporated in the United Kingdom
32	Gunther of America, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
33	Hartsville Corrugating, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
34	Highland Packaging Solutions, LLC, a 100%-owned domestic subsidiary, incorporated in Florida
35	Industrial Machine Co., Inc., a 100%-owned domestic subsidiary, incorporated in Missouri
36	Inversiones Sonoco Limitada, a 100%-owned foreign subsidiary, incorporated in Chile
37	Italtubetti, SpA, a 100% owned foreign subsidiary, incorporated in Italy
38	Laminar Medica (CE) s.r.o., a 100%-owned foreign subsidiary, incorporated in the Czech Republic
39	Laminar Medica Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
40	Manufacturas Sonoco, S.A. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
41	OOO Sonoco Alcore (fka ZAO Sonoco Alcore), a 100%-owned foreign subsidiary, incorporated in Russia
42	Packaging Holdings, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
43	Papcor (Dezhou) Packaging Material Co. Ltd., a 50% owned foreign subsidiary, incorporated in China
44	Papertech Dezhou Co. Ltd., a 100% owned foreign subsidiary, incorporated in China

45	Papertech SL, a 100% owned foreign subsidiary, incorporated in Spain
46	Peninsula Packaging, LLC, a 100%-owned domestic subsidiary, incorporated in California
47	PenPack, LLC, a 100%-owned domestic subsidiary, incorporated in California
48	Penpack, S. de R.L. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
49	PT Conitex Sonoco, a 100% owned foreign subsidiary, incorporated in Indonesia
50	PT Papcor Asia Pacific, a 50% owned foreign subsidiary, incorporated in Indonesia
51	PT Papertech Indonesia, a 100% owned foreign subsidiary, incorprated in Indonesia
52	PT Sonoco Indonesia, a 98.33%-owned foreign subsidiary, incorporated in Indonesia
53	Sebro Plastics, Inc., a 100%-owned domestic subsidiary, incorporated in Michigan
54	SMB GmbH, a 100%-owned foreign subsidiary, incorporated in Germany
55	Sonoco (Shanghai) Co., Ltd, a 98.33%-owned foreign subsidiary, incorporated in China
56	Sonoco (Taicang) Packaging Co., Ltd, a 98.33%-owned foreign subsidiary, incorporated in China
57	Sonoco (Weifang) Packaging Company, Ltd., a 98.33%-owned foreign subsidiary, incorporated in China
58	Sonoco Absorbent Technologies Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
59	Sonoco Absorbent Technologies, LLC, a 100%-owned domestic subsidiary, incorporated in Delaware
60	Sonoco Alcore - Demolli S.r.l., a 100%-owned foreign subsidiary, incorporated in Italy
61	Sonoco Alcore AB, a 100%-owned foreign subsidiary, incorporated in Sweden
62	Sonoco Alcore GmbH, a 100%-owned foreign subsidiary, incorporated in Germany
63	Sonoco Alcore N.V., a 100%-owned foreign subsidiary, incorporated in Belgium
64	Sonoco Alcore Nederland B.V., a 100%-owned foreign subsidiary, incorporated in the Netherlands
65	Sonoco Ambalaj Sanayi Ve Ticaret Limited Sirketi, a 100%-owned foreign subsidiary, incorporated in Turkey
66	Sonoco Asia Holding S.a.r.l., a 100%-owned foreign subsidiary, incorporated in Luxembourg
67	Sonoco Asia Management Company, L.L.C., a 95.91%-owned domestic subsidiary, incorporated in Delaware
68	Sonoco Asia, L.L.C., a 98.33%-owned domestic subsidiary, incorporated in Delaware
69	Sonoco Australia Pty Ltd, a 100%-owned foreign subsidiary, incorporated in Australia
70	Sonoco Board Mills Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
71	Sonoco Bonmati, S.A.U., a 100%-owned foreign subsidiary, incorporated in Spain
72	Sonoco Canada Corporation, a 100%-owned foreign subsidiary, incorporated in Canada
73	Sonoco Capseals Liners Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
74	Sonoco Comercial, S. de R.L. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
75	Sonoco Consumer Products Dordrecht B.V. (fka Dorpak B.V.), a 100%-owned foreign subsidiary, incorporated in Netherlands
76	Sonoco Consumer Products Europe GmbH (fka Weidenhammer Packaging Group GmbH), a 100%-owned foreign subsidiary, incorporated in Germany
77	Sonoco Consumer Products Hellas S.A. (fka Weidenhammer Hellas S.A.), a 100%-owned foreign subsidiary, incorporated in Greece
78	Sonoco Consumer Products Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
79	Sonoco Consumer Products Mechelen BVBA (fka Weidenhammer Belgium BVBA), a 100%-owned foreign subsidiary, incorporated in Belgium
80	Sonoco Consumer Products Montanay SAS (fka Neuvibox SAS), a 100%-owned foreign subsidiary, incorporated in France
81	Sonoco Consumer Products Poland Sp. Z.O.O., a 100%-owned foreign subsidiary, incorporated in Poland
82	Sonoco Consumer Products SAS, a 100%-owned foreign subsidiary, incorporated in France
83	Sonoco Consumer Products South Africa (PTY) Ltd., a 100%-owned foreign subisidiary, incorporated in South Africa
84	Sonoco Consumer Products Zwenkau GmbH (fka fka Weidenhammer Plastice Packaging GmbH), a 100%-owned foreign subsidiary, incorporated in Germany
85	Sonoco Cores and Paper Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
86	Sonoco de Colombia Ltda, a 100%-owned foreign subsidiary, incorporated in Colombia
87	Sonoco Deutschland GmbH, a 100%-owned foreign subsidiary, incorporated in Germany
88	Sonoco Deutschland Holdings GmbH, a 100%-owned foreign subsidiary, incorporated in Germany
89	Sonoco Development, Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina

90	Sonoco do Brasil Participacoes Ltda, a 100%-owned foreign subsidiary, incorporated in Brazil
91	Sonoco do Brazil Ltda, a 100%-owned foreign subsidiary, incorporated in Brazil
92	Sonoco Elk Grove, Inc., a 100%-owned domestic subsidiary, incorporated in Illinois
93	Sonoco Embalagens Ltda. (fka Sonoco Embalagens S.A.), a 100%-owned foreign subsidiary, incorporated in Brazil
94	Sonoco Flexible Packaging Canada Corporation, a 100%-owned foreign subsidiary, incorporated in Canada
95	Sonoco Flexible Packaging Co., Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina
96	Sonoco Graphics India Private Limited, a 71.02%-owned foreign subsidiary, incorporated in India
97	Sonoco Hickory, Inc., a 100%-owned domestic subsidiary, incorporated in North Carolina
98	Sonoco Holdings UK Limited, a 100%-owned domestic subsidiary, dually incorporated in Delaware and in the United Kingdom
99	Sonoco Holdings, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
100	Sonoco Hutchinson, LLC, a 100%-owned domestic subsidiary, incorporated in Kansas
101	Sonoco Iberia, S.L.U., a 100%-owned foreign subsidiary, incorporated in Spain
102	Sonoco International Holdings GmbH, a 100%-owned foreign subsidiary, incorporated in Switzerland
103	Sonoco IPD France SAS, a 100%-owned foreign subsidiary, incorporated in France
104	Sonoco JV GmbH & Co. KG, a 100%-owned foreign subsidiary, incorporated in Germany
105	Sonoco Kaiping Packaging Co. Ltd., a 98.33%-owned foreign subsidiary, incorporated in China
106	Sonoco Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
107	Sonoco Luxembourg Holding S.a.r.l., a 100%-owned foreign subsidiary, incorporated in Luxembourg
108	Sonoco Luxembourg S.a.r.l., a 100%-owned foreign subsidiary, incorporated in Luxembourg
109	Sonoco Milnrow, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
110	Sonoco Netherlands Holding II BV, a 100%-owned foreign subsidiary, incorporated in the Netherlands
111	Sonoco Netherlands Holding III BV, a 100%-owned foreign subsidiary, incorporated in the Netherlands
112	Sonoco New Zealand Limited, a 100%-owned foreign subsidiary, incorporated in New Zealand
113	Sonoco of Puerto Rico,Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina
114	Sonoco Operadora S. de R.L. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
115	Sonoco Packaging Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
116	Sonoco Packaging Tapes Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
117	Sonoco Paper Mill & IPD Hellas SA, a 100%-owned foreign subsidiary, incorporated in Greece
118	Sonoco Paperboard Group, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
119	Sonoco Partitions, Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina
120	Sonoco Phoenix, LLC, a 100%-owned domestic subsidiary, incorporated in Ohio
121	Sonoco Pina, S.A.U., a 100%-owned foreign subsidiary, incorporated in Spain
122	Sonoco Plastics B.V., a 100%-owned foreign subsidiary, incorporated in the Netherlands
123	Sonoco Plastics Canada ULC, a 100%-owned foreign subsidiary, incorporated in Canada
124	Sonoco Plastics Germany GmbH, a 100%-owned foreign subsidiary, incorporated in Germany
125	Sonoco Plastics, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
126	Sonoco Poland Holdings B.V., a 100%-owned foreign subsidiary, incorporated in the Netherlands
127	Sonoco Polysack A/S, Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina
128	Sonoco Polysack Limited, a 100%-owned domestic subsidiary, dually incorporated in South Carolina and in the United Kingdom
129	Sonoco Products Company UK, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
130	Sonoco Products Malaysia Sdn Bhd, a 98.33%-owned foreign subsidiary, incorporated in Malaysia
131	Sonoco Protective Solutions, Inc., a 100%-owned domestic subsidiary, incorporated in Pennsylvania
132	Sonoco Recycling - International Trade Group, LLC (fka Reparco USA, Inc.), a 100%-owned domestic subsidiary, incorporated in California
133	Sonoco Recycling, LLC, a 100%-owned domestic subsidiary, incorporated in North Carolina
134	Sonoco Reels Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom

135	Sonoco Retail Packaging S. de R.L. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
136	Sonoco SAS, a 100%-owned foreign subsidiary, incorporated in France
137	Sonoco Saudi Limited Company, a 51%-owned foreign subsidiary, incorporated in Saudi Arabia
138	Sonoco Services, LLC, a 100%-owned domestic subsidiary, incorporated in Delaware
139	Sonoco Singapore Pte. Ltd., a 98.33%-owned foreign subsidiary, incorporated in Singapore
140	Sonoco Taiwan Ltd, a 98.33%-owned foreign subsidiary, incorporated in Taiwan
141	Sonoco TEQ Holdings Ltd, a 100%-owned foreign subsidiary, incorporated in United Kingdom
142	Sonoco TEQ LLC , a 100%-owned domestic subsidiary, incorporated in Delaware
143	Sonoco TEQ Ltd, a 100%-owned foreign subsidiary, incorporated in United Kingdom
144	Sonoco TEQ Sp. Z.o.o, a 100%-owned foreign subsidiary, incorporated in Poland
145	Sonoco Thailand Ltd, a 98.33%-owned foreign subsidiary, incorporated in Thailand
146	Sonoco UK Leasing Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
147	Sonoco Venezolana, C.A., a 90%-owned foreign subsidiary, incorporated in Venezuela
148	Sonoco Venture International Holdings GmbH, a 100%-owned foreign subsidiary, incorporated in Switzerland
149	Sonoco Ventures UK Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
150	Sonoco Wisconsin Rapids Core Plant, LLC a 100%-owned domestic subsidiary, incorporated in Delaware
151	Sonoco Wisconsin Rapids Paper Mill, LLC a 100%-owned domestic subsidiary, incorporated in Delaware
152	Sonoco Wisconsin Rapids, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
153	Sonoco Yatai Pinghu Packaging Co Ltd, a 98.33%-owned foreign subsidiary, incorporated in China
154	Sonoco, S.A. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
155	Sonoco-Alcore AS, a 100%-owned foreign subsidiary, incorporated in Norway
156	Sonoco-Alcore Oy, a 100%-owned foreign subsidiary, incorporated in Finland
157	Sonoco-Alcore S.a.r.l., a 100%-owned foreign subsidiary, incorporated in Luxembourg
158	Sonoco-Alcore Sp. Z.O.O., a 100%-owned foreign subsidiary, incorporated in Poland
159	Sonoco-Engraph Puerto Rico, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
160	SPC Capital Management, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
161	SPC Liquidation, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
162	SPC Management, LLC, a 100%-owned domestic subsidiary, incorporated in Delaware
163	SPC Resources, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
164	SR Holdings of the Carolinas, LLC, a 100%-owned domestic subsidiary, incorporated in South Carolina
165	Tegrant Alloyd Brands, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
166	Tegrant Corporation, a 100%-owned domestic subsidiary, incorporated in Delware
167	Tegrant de Mexico, S.A. de C.V., a 100%-owned foreign subsidiary, incorporated in Mexico
168	Tegrant International, Inc., a 100%-owned domestic subsidiary, incorporated in Delaware
169	Tegrant Property Holdings, LLC, a 100%-owned domestic subsidiary, incorporated in Delaware
170	ThermoSafe Brands Asia PTE, LTD., a 100%-owned foreign subsidiary, incorporated in Singapore
171	ThermoSafe Brands Europe Ltd., a 100%-owned foreign subsidiary, incorporated in Ireland
172	TPT Limited, a 100%-owned foreign subsidiary, incorporated in the United Kingdom
173	Trident Graphics Canada Corporation, a 100%-owned foreign subsidiary, incorporated in Canada
174	Trident Graphics NA LLC, a 100%-owned domestic subsidiary, incorporated in North Carolina
175	Tubo-Tec Nordeste Industria, 100% -owned foreign subsidiary, incorporated in Brazil
176	U.S. Paper Mills Corp., a 100%-owned domestic subsidiary, incorporated in Wisconsin
177	Weidenhammer Chile Ltda., a 65%-owned foreign subsidiary, incorporated in Chile
178	Weidenhammer UK Ltd., 100%-owned foreign subsidiary, incorporated in the United Kingdom
179	Wisenberg U.S., Inc., a 100%-owned domestic subsidiary, incorporated in South Carolina

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-232937) and on Forms S-8 (File No. 333-206669; File No. 333-206671; File No. 333-206672; File No. 333-206673; and File No. 333-232936) of Sonoco Products Company of our report dated February 28, 2022 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 28, 2022

EXHIBIT 31

I, R. Howard Coker, certify that:

1. I have reviewed this annual report on Form 10-K of Sonoco Products Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2022

/s/ R. Howard Coker

R. Howard Coker
President and Chief Executive Officer

EXHIBIT 31

I, Julie C. Albrecht, certify that:

1. I have reviewed this annual report on Form 10-K of Sonoco Products Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2022

/s/ Julie C. Albrecht
Julie C. Albrecht
Vice President and Chief Financial Officer

EXHIBIT 32

Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the
Sarbanes – Oxley Act of 2002

The undersigned, who are the chief executive officer and the chief financial officer of Sonoco Products Company, each hereby certifies that, to the best of his or her knowledge, the accompanying Form 10-K for the year ended December 31, 2021, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

February 28, 2022

/s/ R. Howard Coker
R. Howard Coker
President and Chief Executive Officer

/s/ Julie C. Albrecht
Julie C. Albrecht
Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Sonoco Products Company (the “Company”) and will be retained by the Company and furnished to the Securities and Exchange Commission upon request. This certification accompanies the Form 10-K and shall not be treated as having been filed as part of the Form 10-K.