Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

We are subject to risks and uncertainties that could adversely affect our business **, reputation** , 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 **SEC** ~~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 **SEC** ~~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 310 **owned and leased** facilities in ~~32~~ **33** countries as of December 31, ~~2022~~ **2023** . In ~~2022~~ **2023** , approximately ~~28~~ **29** % of consolidated sales came from operations outside of the United States, and we may 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 **, which can vary substantially by country and by region,** can 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; • **the risk that** 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, or other liabilities related to non- compliance, damage to our reputation, unanticipated operational restrictions or other consequences as a result of **our** ~~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 United States; • 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~~ **conflicts** between Russia and Ukraine **and in Israel and Gaza**), catastrophic events, acts of terrorism, and widespread outbreaks of infectious diseases ~~,~~ **(** such as COVID- 19 **)** . As discussed further elsewhere in this Annual Report on Form 10- K and in our other filings with the SEC, some of these risks have already affected us. Global economic conditions and disruptions in the credit markets could adversely affect our business, financial condition **,** or results of operations. We have extensive international operations and are dependent on customers and suppliers that operate in local economies around the world. In addition, we access global credit markets as part of our capital allocation strategy. Adverse global macroeconomic conditions could ~~negatively~~ **adversely** 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~~ **adversely** impact demand for our products. For example, as a result ~~of the impacts~~ of the COVID- 19 pandemic, we previously experienced adverse effects on customer stability and demand for our products. Potential effects on us include financial instability, inability to obtain credit to finance operations, and insolvency. **9 FORM 10- K SONOCO 2023 ANNUAL REPORT** We are subject to governmental export and import control laws, economic sanctions **,** and other 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 ~~9 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ could be subject to substantial civil or criminal penalties, including economic sanctions against us, incarceration for responsible employees and managers, the possible loss of export or import privileges, and reputational harm. In addition, if our distributors fail to obtain appropriate import, export or re- export licenses or permits, we may also be materially and adversely affected through reputational harm and penalties. Obtaining the necessary import, export, and re- export licenses 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 otherwise sanctioned countries, governments and persons. Despite our efforts ~~taken~~ to ensure compliance with applicable law, we cannot guarantee that a violation of export control laws or economic sanctions will not occur. A prohibited shipment could have ~~negative~~ **adverse** consequences, including government investigations, penalties, fines, civil and criminal sanctions **,** and reputational harm. Any change in export or import regulations, economic sanctions ~~regulations~~ 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 adversely affect our business. For example, in 2022, following Russia' s invasion of Ukraine and the imposition of economic sanctions against Russia by the United States and other countries, we **finalized the** ~~exited~~ -- **exit from** our operations in Russia, which consisted of two small manufacturing operations, and incurred asset impairment charges as a result of our exit. We ~~have~~ also ceased sourcing ~~certain inputs~~ from Russian suppliers. Export control laws and economic sanctions may also have an indirect adverse effect on our business. For example, some of our customers previously exported their products to Russia, and any reduction in demand for such customers' products could in turn reduce demand for our products. Economic sanctions against Russia have also contributed to adverse changes in the global price and availability of natural gas, raw materials and finished goods, which could reduce our sales and earnings or otherwise have an adverse effect on our operations **. Any** ~~, and any~~ future additional export controls or sanctions imposed by the United States, the United Kingdom, the European Union, or other countries could further exacerbate these effects. Changes in United States trade policies and global regulations, as well as the overall uncertainty surrounding international trade relations, could materially and adversely affect our consolidated financial condition and results of operations. We continue to face uncertainty with respect to trade relations between the United States and many of its trading partners. ~~In~~ **For example, in** March 2018, the United States announced new tariffs on imported steel and aluminum products. Other international trade actions and initiatives have also been announced over the past few years, notably the imposition by the United States 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. Additional measures targeting U. S. trade with China, including the expansion of U. S. export controls targeting China and Chinese companies, could potentially have an adverse effect on our consolidated financial condition and results of operations. 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 United States. 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 to successfully 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~~ **adverse** impacts of changing U. S. and foreign trade policies could materially and adversely impact our consolidated financial condition and results of operations. Currency exchange rate fluctuations may adversely affect our results of operations 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 results of operations. 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 net **sales, costs, net** income **,** 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~~ **our hedging activities do** not **completely** insulate us ~~completely~~ from foreign currency fluctuations and also ~~exposes~~ - **expose** us to counterparty risk of nonperformance. **10 FORM 10- K SONOCO 2023 ANNUAL REPORT** Changes in domestic and global economic conditions may have ~~a negative~~ **an adverse** impact on our business operations and financial results. 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 inflationary pressures, supply chain disruptions, currency fluctuations, geopolitical uncertainty ~~and~~ **, military conflicts,** increased interest rates **and recession risks** , as well as the ~~difficulties of the United States and other countries in dealing with the effects of the COVID- 19 pandemic and their~~ rising debt levels **of the United States and other countries** , are likely to continue to put pressure on the economy, and on us. For example, **during 2022 and 2023,** the **U. S.** Federal Reserve **raised** ~~began raising~~ its benchmark **interest** rate ~~in March 2022, increasing~~ **to combat inflation. Although** the **Federal Reserve has indicated that it expects to reduce interest** ~~rate~~ **rates in** ~~by a total of 4. 50 % since the start of 2022~~ **2024** ~~. Such increases~~ **, high interest rates may persist** and ~~any future increases~~ may, among other things, reduce the availability and increase the costs of obtaining new variable rate debt and refinancing existing indebtedness, and ~~negatively~~ **adversely** impact our financial condition and results of operations. Additionally, such increases in rates put additional pressure on consumers and the economy in general **, which can in turn lead to reduced consumption of products incorporating our packaging. Bank failures or issues in the broader U. S. or global financial systems may have an impact on the broader**

capital markets and, in turn, our ability to access those markets . As evidenced in recent years, **changes in fiscal and monetary policies and** tightening of credit availability and financial difficulties, leading to declines in consumer and business confidence and spending, may adversely affect us, or 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 and adverse effect on our business, results of operations, financial condition **,** and prospects. ~~10 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ 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, **paperboard,** steel, aluminum and **plastic** ~~resin~~ **resins** . 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, war, political unrest and instability ~~,~~ **(** such as the ongoing ~~military conflict~~ **conflicts** between Russia and Ukraine **and in Israel and Gaza)** , 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 **to** 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. In addition, 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. ~~The ongoing~~ **Any current and future government sanctions or an escalation or widening of the Russia- Ukraine** conflict **could contribute to further** ~~between Russia and Ukraine has~~ increased ~~the~~ volatility of energy and commodity prices ~~and contributed to~~ **, cause further** supply chain disruptions, ~~which have had, and may in the future have, an~~ **and further** ~~adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ the cost and availability of energy supplies and other inputs in our European operations ~~. Any current and future government sanctions or an escalation or widening of the conflict could further contribute to these effects~~ . Any energy shortages could impair our ability to continue our operations at such sites at normal levels or at acceptable cost levels, and therefore adversely affect our business operations, financial condition **,** and results of operations. 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 and 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 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 a 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~~ **adversely** impact our customer relationships **,** and have a material and 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 effect on our financial condition and results of operations. 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 **or employee** 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 **11 FORM 10- K SONOCO 2023 ANNUAL**

REPORT 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 and adversely affected. Material disruptions in our business operations could ~~negatively~~ **adversely** 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~~ **adversely** 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~~ **: political events, trade and other international disputes, war, terrorism, industrial accidents,** 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, as well as disruptions related to localized or widespread public health events **(including epidemics or pandemics,** such as the COVID- 19 pandemic **)** . These types of disruptions could materially and adversely affect our earnings to varying degrees depending upon the facility, the duration of the disruption, **and** 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. ~~11 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ Risks Related to Acquisitions, Divestitures and Joint Ventures We may ~~encounter difficulties in integrating~~ **fail to realize expected benefits from our** acquisitions, which could have an adverse effect on our financial condition and results of operations. We have invested a substantial amount of capital in acquisitions, joint ventures **,** and strategic investments, including our acquisition of ~~Ball Metalpack (now Sonoco~~ **the remaining equity interest in RTS Packaging and the acquisitions of the Chattanooga Mill in September 2023 and** Metal Packaging ~~)~~ in January 2022, 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 and adverse effect on our financial condition and results of operations. 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 include, without limitation: • substantial costs **and indebtedness** 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 anticipate delays or restrictions resulting from regulatory review or required approvals** ; • 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~~ **Even if we are successful in integrating our** acquisitions ~~will improve our competitiveness and profitability~~ , **such** ~~no assurance can be given that~~ acquisitions ~~will~~ **may not ultimately** be successful or accretive to earnings ~~or that~~ **, and we may not realize** 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, **or complete acquisitions on our desired timing or terms,** which could limit our potential for growth. We have made numerous acquisitions in recent years and **are** ~~expect to~~ actively ~~seek~~ **considering** new acquisitions that provide meaningful opportunities for growth. However, we may not be able to identify suitable acquisition candidates or complete acquisitions ~~, including our currently pending acquisition of RTS,~~ on acceptable timing, 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, **including as a result of** ~~and~~ - **an inability to satisfy related closing conditions or obtain necessary government consents, or the expiration or termination of applicable regulatory waiting periods. For example, our ability to close our acquisition of the remaining equity interest in RTS Packaging and the acquisition of the Chattanooga Mill, which we completed in September 2023, was previously delayed due to regulatory review of the transaction. In addition,** 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 on the timing we anticipate, or at all, if we are unable to satisfy related closing conditions or obtain necessary government consents or the expiration or termination of applicable regulatory waiting periods~~ . Any of these results could have a material and adverse effect on our business, results of operations, financial condition **,** and prospects. **12 FORM 10- K SONOCO 2023 ANNUAL REPORT** 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 any 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 or non- indemnified liabilities, if they materialize, could have a material and 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. From time to time, we have closed higher- cost facilities, **implemented reductions in force,** 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~~ **2023** ~~and 2021,~~ we divested our ~~global display~~ **U. S.** and ~~packaging~~ **Mexico BulkSak businesses, sold our timberland properties, and closed several high- cost** operations **. In addition,** in **2024, we permanently closed our uncoated paperboard mill operations in Sumner, Washington as part of our strategy** ~~two -~~ **to** ~~separate transactions~~ **rationalize our mill network and lower operating costs** . As a result, restructuring and divestiture costs have been, and are expected to continue 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 ~~12 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ 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 **own** or our counterparties' failure to satisfy pre- closing conditions or 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 be subject to or 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~~ **adversely** 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 results of operations. 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. **We also face competition that may be larger, more diversified, or better funded than us.** ~~The~~ **These competitive advantages may enable our competition to adapt more quickly to changing customer or consumer preferences; changes brought about by public health events, supply chain constraints, inflationary pressures, currency fluctuations, geopolitical uncertainty, and increased interest rates; or the introduction of new products, technologies, and equipment, including advanced technologies such as artificial intelligence (" AI "). For example, growing use of AI by our competitors could disrupt our business model and lower the barriers to entry in the markets we serve. If our competitors invest in, develop and utilize AI tools more effectively than us to innovate and introduce go- to- market solutions more rapidly and compete more effectively on quality and price, we could lose business and the profitability of our business could be reduced. Any such impact, as well as the** loss of business from our larger customers, customer changes to alternative forms of packaging, or renewal of business with less favorable terms ~~may~~ **, could** have a significant and adverse effect on our results of operations. 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, **13 FORM 10- K SONOCO 2023 ANNUAL REPORT** consolidation of our larger suppliers has resulted in increased pricing pressures from our suppliers. Further consolidation of customers and suppliers could intensify pricing pressure, reduce our net sales, increase our costs **,** and adversely affect our results of operations. The loss of a key customer, or a reduction in its production requirements, could have a significant and adverse effect on our sales and profitability. Each of our segments has large customers, and the loss of any of these could have a significant and 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 effect 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 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 United States 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 United States. 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. ~~13 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ 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 costs 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 and 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 ~~,~~ **and** 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. 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 **or imposes restrictions on our business operations** , it could have a material and adverse effect on our business, financial condition **,** and results of operations. We and the industries in which we operate are at times 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. 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 have adopted risk management and compliance programs, the global and diverse nature of our operations means that legal and compliance risks will continue to exist and that legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time, which could adversely affect our business, results of operations **,** and financial condition. **14 FORM 10- K SONOCO 2023 ANNUAL REPORT Risks Related to** Climate Change ~~Related Risk~~ **and Environmental, Health and**

Safety, and Corporate Social Responsibility Laws and Regulations Adverse weather and **other effects of** climate ~~changes -~~ **change** may result in lower sales and 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~~ **associated with climate change have impacted and could in the future** impact crop yields and harvest timing, which in turn could impact the level and timing of demand for our containers. In addition, poor or extreme weather conditions ~~can~~ **have temporarily impacted and could in the future** 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, **have and** could **in the future** result in lost production, supply chain disruptions **,** and increased material costs. Such disruptions could have, and have in the past had, a material and adverse effect on our results of operations. There has been ~~an~~ increased focus from investors, customers, the general public **,** and U. S. and foreign governmental and nongovernmental authorities on climate change and GHG emissions. ~~Regulatory responses to~~ **The increasing concern over** climate change ~~may~~ **has resulted, and will continue to** result **,** in ~~new laws~~ **transition risks such as shifting customer preferences in favor of more environmentally friendly products, which we may be unable to address,** and **increased** ~~regulations -~~ **regulation** intended to reduce overall 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 United States, 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 United States, several states where we operate manufacturing facilities have enacted or are in the process of enacting regulations **limiting** ~~related to~~ GHG emissions 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 United States 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 United States or internationally, compliance with such regulations could significantly increase costs and add complexity to our operations, which could have a material and adverse effect on our business, results of operations, financial condition **,** and prospects. Any failure in our procedures to monitor climate related regulatory and policy changes in the jurisdictions in which we operate or in our processes and tools to track our GHG emissions and assess both operational and financial impacts of climate- related regulations, and any failure to comply with any such regulations and policies, could subject us to additional costs and penalties and harm to our reputation. We **could also face increased costs related to defending and resolving legal claims and other litigation related to climate change and the alleged impact of our operations on climate change. Expectations relating to ESG issues and related reporting obligations could expose us to potential liabilities, increased costs, reputational harm, and other adverse effects on our business. We** have ~~also~~ voluntarily established and publicly disclosed our GHG reduction targets and other **environmental, social and governance (“** ESG **”)** goals and sustainability targets. These targets could prove more costly or difficult to achieve than we expect, and we may be unable to achieve these targets at acceptable cost or at all. If we are unable to meet these targets and goals on our projected timelines or at all, whether as a result of cost, operational or technological limitations, or if such targets or our progress against them are not perceived to be sufficiently robust, our reputation, as well as our relationships with investors, customers and other stakeholders, could be harmed, which could in turn adversely affect our business, ~~14 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ results of operations and prospects. In addition, not all of our competitors may seek to establish climate or other ESG targets and goals, or may not establish targets and goals that are comparable to ours, which could result in our competitors achieving competitive advantages through lower supply chain or operating costs, which could adversely affect our business, results of operations, financial condition and prospects. ~~Risks~~ **In addition, ESG matters have recently been the subject of increased regulatory and stakeholder attention, and we expect to need to be prepared to contend with overlapping, yet distinct, climate-** ~~Related~~ **related** ~~to Environmental~~ **disclosure requirements in multiple jurisdictions. For instance** , ~~Health and Safety~~ **it is anticipated that the SEC will issue a climate disclosure rule in 2024** , **which, if implemented as proposed, would significantly expand climate- related disclosure obligations. The State of California has enacted legislation that will require large U. S. companies doing business in California to make broad- based climate- related disclosures starting as early as 2026,** and **other states are also considering new climate change disclosure requirements. In the European Union, the** Corporate ~~Social Responsibility~~ **Sustainability Reporting Directive, which became effective in 2023, applies to both E. U. and non- E. U. in- scope entities and would require them to provide expansive disclosures on various sustainability topics. We are assessing our obligations under these new** ~~Laws~~ **laws** and **expect that compliance with these and other future reporting obligations could require substantial cost and effort. Collecting, measuring, and reporting ESG information and metrics can be costly, difficult, and time- consuming, are subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal, and other risks. Globally, a lack of harmonization in relation to ESG legal and regulatory reform across the jurisdictions in which we operate may increase the cost and difficulty of implementing and complying with rapidly developing ESG reporting standards and requirements, and any failure to comply with such legislation and** ~~Regulations~~ **regulations could result in fines to us and could adversely affect our business, financial condition, results of operations, and cash flows. At the same time, compliance with ESG- related rules and efforts to meet shareholder expectations on ESG matters may place strain on our employees, systems, and**

resources. Moreover, increasingly, different stakeholder groups have divergent views on sustainability and ESG matters, which increases the risk that any action or lack thereof with respect to sustainability or ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. Anti- ESG sentiment has gained some momentum across the United States, with several states having enacted or proposed " anti- ESG " policies or legislation. If we do not successfully manage ESG- related expectations across stakeholders, it could erode stakeholder trust, impact our reputation, and adversely affect our business, financial condition, results of operations and cash flows.

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 results of operations. 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, ~~2022~~ **2023** , approximately $ 7. 3 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 and could have a material and adverse effect on our results of operations and financial condition. 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~~ **adversely** impact customers' demand for our products as they comply with such changes and 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~~ **adversely** impact demand for consumer packaged goods and, consequently, for our products, including changes in consumer preferences driven by various health- related concerns and perceptions. In addition, 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 reputational risk with our customers and other stakeholders if we are unable to sufficiently 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 results of operations 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 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. **Further, future compliance with existing and new laws and requirements has the potential to disrupt our business operations and may require significant expenditures, and our existing reserves for specific matters may not be adequate to cover future costs and we may have to increase our reserves. We could also incur substantial liabilities, including fines or sanctions, enforcement actions, natural resource damages claims, cleanup and closure costs, and third- party claims for property damage and personal injury under environmental and other laws. We have insurance coverage, subject to applicable deductibles or retentions, policy limits and other conditions, for certain environmental matters; however, we may not be successful with respect to any claim regarding these insurance or indemnification rights and, if we are successful, any amounts paid pursuant to the insurance or indemnification rights may not be sufficient to cover all our costs and expenses.** 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, ~~2022~~ **2023** , we had $ 2. ~~4~~ **3** billion of fixed- rate debt outstanding. We also operate a $ 500 million commercial paper program, supported by a $ ~~750~~ **900** million revolving credit facility committed by a syndicate of ~~eight~~ **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 ~~on~~ our plans. In addition, our customers may experience liquidity problems as a result of ~~a negative~~ **an adverse** 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 effect 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, and~~ in **connection with our acquisition of Metal Packaging** ~~December 2022, we entered into an additional $ 400 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 **16** ~~use in our 15~~ FORM 10- K SONOCO ~~2022~~ **2023** ANNUAL REPORT **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 our ~~two~~ term loan ~~facilities~~ **facility , under which we had outstanding indebtedness** totaling $ ~~700~~ **572** million **as of December 31, 2023** . Fluctuations in interest rates can increase borrowing costs and, depending on the magnitude of variable- rate borrowings outstanding, could potentially have a material and adverse effect on our business. **Other** ~~Variable~~ **variable** - rate borrowings at December 31, ~~2022~~ **2023** were approximately $ ~~796~~ - **96** million. 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, ~~2022~~ **2023** , scheduled debt maturities in ~~2023~~ **2024** totaled $ ~~502~~ **47** million. 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~~ **or** 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 and adverse effect on our business, financial position and ~~results of~~ operations. Although we attempt to mitigate these risks by employing a number of **administrative, physical,** 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 and 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 **personal** data and information is subject to the risk of intrusion, tampering and theft. Although we develop and maintain systems designed 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 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 data **and information** to third parties when it is necessary to pursue business objectives and there is a risk that the confidentiality of **personal** data **and information** held by third parties may be compromised. ~~We~~ **Increasing use of AI may increase these risks. The SEC recently adopted rules mandating disclosure regarding cybersecurity risk management and governance, as well as material cybersecurity incidents. In addition to the adoption of the new cybersecurity disclosure rules by the SEC, we** continue to see increased regulation of data privacy and security and the adoption of more stringent **consumer privacy laws, as well as** subject matter specific state laws and national laws regulating the collection and use of data, **and** ~~as well as~~ security and data breach obligations – including ~~, for example,~~ the **passage** ~~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 **expansion** ~~California Privacy Rights Act~~ of ~~2020, and additional state privacy and~~ data protection laws **around** ~~in Virginia, Connecticut, Utah and Colorado, each of which will come into full effect in 2023. Significant changes also include~~ the **world** ~~expansion of the scope of California privacy law to include employee and business- to- business personal data~~ . It is likely that new laws and regulations will continue to be adopted in the United States and **17 FORM 10- K SONOCO 2023 ANNUAL REPORT** 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 ~~16 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ 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 **significant** ~~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. **We expect to continue to incur such costs and may face increased costs and be required to expend substantial resources in the event of an actual or perceived security breach or incident and to comply with the new SEC cybersecurity disclosure rules.** 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 results of operations and shareholders' equity. We sponsor various defined benefit plans worldwide ~~,~~ and had an aggregate **PBO** ~~projected benefit obligation~~ for these plans of approximately $ ~~364~~ **436** million as of December 31, ~~2022~~ **2023** . 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~~ **adverse** impact on our results of operations and cash flows. As of December 31, ~~2022~~ **2023** , these plans held a total of approximately $ ~~266~~ **309** million in assets consisting primarily of fixed income securities and mutual funds, funding a portion of the **PBOs** ~~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 results of operations and shareholders' equity. 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. **If we are unable to attract, motivate and retain qualified personnel, or if we experience excessive turnover, we may experience declining sales, manufacturing delays or other inefficiencies, increased recruiting, training and relocation costs and other difficulties, and our results of operations, cash flows and financial condition may be adversely impacted.** 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~~ **defined** benefit plans **, share- based compensation** , 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 and 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~~ **adversely** impact our results of operations and shareholders ~~'~~ **’** equity. At December 31, ~~2022~~ **2023** , the carrying value of our goodwill and intangible assets was approximately $ 2. ~~4~~ **7** billion. We are required to evaluate our goodwill for impairment 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 ~~two~~ **one** reporting ~~units~~ - **unit** that ~~are~~ **is** currently at risk of a 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 and adverse effect on our results of operations and shareholders ~~'~~ **’** equity. Full realization of our deferred tax assets may be affected by a number of factors. We have deferred tax assets, including United States 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 **18 FORM 10- K SONOCO 2023 ANNUAL REPORT** realize these assets over an extended period. However, if we were unable to generate sufficient future taxable income in the United States 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 and adverse effect on our reported results of operations. ~~17 FORM 10- K SONOCO 2022 ANNUAL REPORT~~ 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. **Tax laws and regulations are continuously evolving with corporate tax reform, base- erosion efforts, global minimum tax, and increased transparency continuing to be high priorities in many tax jurisdictions in which we operate.** 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. **Although the timing and methods of implementation may vary, many countries have implemented,** ~~For~~ - **or are** ~~example,~~ in **the process of implementing, legislation or practices inspired by the base erosion and profit shifting project undertaken by the Organization for Economic Co- operation and Development (“ OECD ”). In December 2021, the OECD issued its guidance on the Global Anti- Base Erosion (“ GloBE ”) rules with the purpose of requiring certain multinational companies to pay a minimum level tax on the income generated in each of the jurisdictions in which they operate. In December 2022, the European Council attained a consensus on Pillar Two of the GloBE rules to implement the 15 % global minimum tax, and many EU and G20 countries have specified their plan to adhere to some or all of the OECD guidelines. As of December 31, 2023, among the jurisdictions where the Company operates, several have enacted legislation adopting the Pillar Two Rules effective as early as 2024. We will continue to evaluate the impact of these tax law changes on our effective tax rate and financial position. Further, the increased scrutiny on international tax and continuous changes to countries’ tax legislation may also affect the policies and decisions of tax authorities with respect to certain income tax and transfer pricing positions taken by the Company in prior or future periods. We continue to monitor new tax legislation or other developments since significant changes in tax legislation, or in the interpretation of existing legislation, could materially and adversely affect our financial condition and operating results. In** the United States, the Inflation Reduction Act of 2022 (the ~~"~~ **“** Inflation Reduction Act ~~"~~ **”**), which was signed into law on August 16, 2022, includes a number of provisions that may impact us in the future, including a 1 % excise tax on share repurchases. 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 38 countries including the United States, and supported by the G20. The OECD reached an agreement to align countries on a minimum corporate tax rate and an expansion of the taxing rights of market countries. Some individual countries, including those in the European Union, have proposed legislation to implement the global minimum tax agreement. However, in other countries, such as the United States, the implementation of the OECD agreement remains highly uncertain. If enacted, either by all OECD participants or unilaterally by individual countries, the agreement could result in tax increases or double taxation that could affect our tax liability. Changes in these or any other laws and regulations, or any change in the position of tax authorities regarding their application,~~

~~administration or interpretation, could adversely affect our financial results~~. 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 and 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 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 and 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 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 as of December 31, ~~2022~~ **2023** , we had approximately ~~180~~ **190** subsidiaries and joint ventures in ~~32~~ **33** 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 and adverse effect on our operations, investor confidence in our business and the trading prices of our securities. Our disclosure controls and procedures and internal controls may not prevent or detect all errors or acts of fraud. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well- conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. 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. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. ~~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. The operations and financial performance in some of our businesses continued to be negatively impacted during the first half of 2022, but to a lesser extent than in 2021. For example, in some instances, the supply chain constraints and labor shortages that were seen throughout the economy in 2021 continued to impact certain of our businesses, contributing to a negative price / cost relationship in the first half of the year; however, these issues continued to improve as the year progressed. 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 have caused and may 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 or disruption to our operations. We previously 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 previously experienced, and may in the future 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 contribute to 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 could have an adverse effect on our business, results of our operations, financial condition and prospects.~~