



**SONOCO PRODUCTS COMPANY & SUBSIDIARIES**  
**GLOBAL TAX POLICY STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

This policy describes Sonoco’s approach to taxes and applies to Sonoco Products Company and all of its subsidiaries.

**Our Businesses**

Sonoco Products Company (NYSE:SON) is a global manufacturer of a variety of consumer, industrial and protective packaging products, and a provider of packaging services. With annualized net sales of over \$5 billion, the Company has 20,000 employees working in approximately 300 locations in over 30 countries, serving some of the world’s best-known brands. Sonoco is committed to *Better Packaging*, *Better Life*, and is ranked first in the Packaging industry on Fortune’s World’s Most Admired Companies list for 2020 and 2022.

**Our Commitment to Compliance**

We comply with tax laws and practices in all of the territories in which we operate, which means that we adhere to all relevant rules and regulations in respect to determining the bases for our worldwide tax liabilities, the timing for our tax payments and disclosures to tax authorities. We seek to develop open working relationships with tax authorities worldwide based on transparency and trust, while seeking consensus and avoiding conflict.

**Our Responsible Approach to Structuring Our Operations**

In addition to other relevant business factors and circumstances, we consider the impact of taxation in structuring our commercial activities with a view to maximizing value for our shareholders on a sustainable basis. We calculate our tax liability applying relevant laws; claiming credits, reliefs and incentives where available. Our structure reflects the commercial and economic substance of our business and we comply with the OECD Transfer Pricing guidelines, which means that intra-group transactions are priced using the “arm’s-length” principle causing profits to be allocated and taxed where the value is earned and that we do not enter into tax structures, including using jurisdictions considered tax havens, intended for the purpose of tax avoidance.

**Our Responsible Approach to Tax Risk & Engagement with Tax Authorities**

The overall aim of our approach to taxes is to:



- (1) Reflect and support our business by ensuring a sustainable tax rate,
- (2) Mitigate tax risks in a timely and cost-efficient way, and
- (3) Comply with the rules and regulations in the various jurisdictions in which we operate, including recognizing the “spirit” of these rules and regulations.

Our tax strategy is aligned with our business and commercial strategy and tax planning opportunities are evaluated within clear risk parameters. We operate under a statement of principles designed to promote and affirm Sonoco’s responsible approach to its tax affairs. This statement is in line with the Corporate Sustainability Assessment and Global Reporting Initiative guidelines and is based on the following observations:

- We recognize our business success is dependent on our ability to build trusted relationships with employees, customers, suppliers, governments, and communities, and we will work to develop a strong culture of trust through transparency and open communication.
- Transparency and cooperation between tax authorities and business contributes to greater compliance and a better functioning tax system. We commit to working positively, proactively and collaboratively with tax authorities to minimize disputes and achieve early agreement on disputed issues whenever possible.
- Compliance with tax laws and regulations recognizes the importance of a sustainable tax base to the communities in which we operate.
- Tax is a business expense which needs to be managed, like any other, and therefore businesses may respond to legitimate tax incentives and statutory alternatives offered by governments.
- Businesses contribute significantly to the economy in the countries in which they operate and pay a substantial amount of tax comprising not only corporation tax, but also social insurance and other taxes
- We seek to increase public understanding through transparency and provide some details of the amount of income -tax expense by region. *Refer to the table of Sonoco’s Reported Profit Before Tax and Sonoco’s Income Tax Expense, shown below:*

\$(000)

	Profit Before Tax	Income Tax
United States	-342,951	-123,493
Europe	75,370	17,380
Canada	21,796	5,628
Mexico	30,292	11,263
Asia	21,651	5,519
South America	29,497	9,766



Australia/New Zealand	4,341	1,292
Middle East/Africa	-933	231
Other	-45	4,984
<b>Worldwide</b>	<b>-160,982</b>	<b>-67,430</b>

### **Sonoco's tax planning principles**

Our primary objectives are to protect our stock value for our shareholders and to comply fully with all legal and regulatory obligations. In carrying out these objectives, Sonoco is committed to acting with integrity in all tax matters and shall engage only in reasonable tax planning that is aligned with commercial and economic activity and does not lead to an abusive result. This may include responding to tax credits, exemptions and other incentives.

Tax laws applicable to large multi-national companies are often unclear and subject to a broad range of interpretations. Considering this, the Company subjects the assessment and management of significant tax uncertainty to review by members of management and outside advisors.

We seek to obtain tax results that are supportable and consistent with the underlying facts and economics of transactions, as well as compliant with applicable tax laws and regulations. In international matters, Sonoco shall follow the terms of the relevant Double Taxation Treaties and OECD guidelines in dealing with such issues as transfer pricing and establishing taxable presence, and shall engage constructively in international dialogue on the review of global tax rules and the need for any changes.

### **Contributing to the development of tax policy**

When government looks to develop or change tax policy, they invariably seek input from a wide range of interested parties, including business advocacy groups and individual companies. Sonoco engages with governments – typically through public consultation processes or in our role as a member of an industry group – to provide our perspective on how best to balance the need for government revenues from taxation against the need to ensure a sustainable investment.