



## Sonoco Updates \$115 Million Project Horizon Progress

July 7, 2021

***Investment to Convert Hartsville, S.C., Corrugated Medium Machine to URB Scheduled to be Completed in Second Quarter of 2022***

***Company Announces Intentions to Close 70,000 Tons/Year of Capacity at Hartsville Mill Complex***

HARTSVILLE, S.C., July 07, 2021 (GLOBE NEWSWIRE) -- Sonoco (NYSE: SON), one of the largest diversified global packaging companies, today provided a progress report on Project Horizon, its \$115 million investment to transform its corrugated medium machine in Hartsville, S.C. to a state-of-the-art uncoated recycled paperboard operation with annual production capacity of 180,000 tons.

"The conversion of our corrugated medium machine (#10 machine) to URB is expected to be completed by the end of the second quarter of 2022, and there are a number of significant construction projects underway that will modernize the infrastructure of the entire Hartsville Mill Complex and allow for more efficient and safe handling of raw materials and finished goods," said Tim Davis, Division Vice President and General Manager, Paper & Adhesives, U.S./Canada.

A key element of Project Horizon is construction of a new stock prep system to provide approximately 650 tons per day of recycled fiber to the rebuilt #10 machine and other Hartsville cylinder machines. The new stock prep system will allow for increased consumption of lower-cost mixed paper, along with Old Corrugated Containers (OCC), and should be operational in October 2021, Davis said.

To reduce paper finishing and warehouse complexity and cost, Sonoco is also building a new offline winding operation and 102,000-square foot finished goods warehouse on the Hartsville complex. The new offline winding department will incorporate new state-of-the-art equipment and should create 16 new positions.

As previously announced, Sonoco will be exiting the corrugated medium market by early 2022 and expects URB capacity through its U.S. and Canada mill network to remain neutral at approximately 1.2 million tons. Based on the progress of Project Horizon, the Company now expects to permanently shut down its Hartsville #1 and #9 URB cylinder machines which will reduce annual capacity by approximately 70,000 tons. The exact timing of the closures will depend on market conditions as well as the start-up of the converted Hartsville #10 machine. In 2020, Sonoco permanently shut down a 30,000 tons/year machine in Hartsville and its 95,000 tons/year Trent Valley, Ontario, Canada paper mill.

The new Hartsville machine is being designed with the goal of being the lowest cost URB machine in the world, with the capability of producing a wide range of high-value paper grades to service Sonoco's industrial and consumer converted products businesses and external trade customers. Project Horizon is projected to drive \$30 million in annual cost savings by 2023, ensure the long-term viability of the Hartsville paper mill complex and place its U.S. and Canada URB mill system into the top quartile of performance from a cost perspective, Davis said.

Sonoco is one of the world's leading producers of URB with the capability of producing approximately 2 million tons annually. The Company is also one of the largest URB producers in the U.S. and Canada operating 11 mills and 18 machines in South Carolina, Tennessee, Virginia, Massachusetts, Kansas, Wisconsin, California, Washington and Ontario, Canada.

### **Earnings Conference Call Webcast**

Sonoco management will host a conference call and webcast to review its second quarter 2021 earnings and provide an update on Project Horizon beginning at 11 a.m. ET on Thursday, July 22, 2021. The live conference call and corresponding presentation can be accessed at [www.sonoco.com](http://www.sonoco.com), under the Investor Relations section, or at <http://investor.sonoco.com>.

### **About Sonoco**

Founded in 1899, Sonoco (NYSE: SON) is a global provider of consumer, industrial, healthcare and protective packaging. With annual net sales of approximately \$5.2 billion, the Company has 19,000 employees working in approximately 300 operations in 34 countries, serving some of the world's best-known brands in some 85 nations. Sonoco is committed to creating sustainable products, services and programs for our customers, employees and communities that support our corporate purpose of *Better Packaging. Better Life.* The Company was listed as one of Fortune's World's Most Admired Companies for 2021 as well as being included in Barron's 100 Most Sustainable Companies for the third year in a row. For more information, visit [www.sonoco.com](http://www.sonoco.com).

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