SONOCO PRODUCTS CO
Form 11-K
June 27, 2014

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

FORM 11-K

ý ANNUAL REPORT PURSUANT TO SECTION 15(d) of THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2013

¨ TRANSITION REPORT PURSUANT TO SECTION 15(d) of THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from to
Commission file number 001-11261

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
SONOCO RETIREMENT AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
SONOCO PRODUCTS COMPANY
1 N. Second St.
Hartsville, South Carolina 29550

Sonoco Retirement and Savings Plan
Financial Statements and Supplemental Schedule
December 31, 2013 and 2012

Sonoco Retirement and Savings Plan
Index



NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not required or are not applicable.

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Grant Thornton LLP
1320 Main Street, Suite 500
Columbia, SC 29201
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
T 803.231.3100
F 803.231.3057
www.GrantThornton.com

To the Participants and the Employee Benefits Committee of the
Sonoco Retirement and Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Sonoco Retirement and Savings Plan (the Plan) as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Sonoco Retirement and Savings Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP
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Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Grant Thornton, LLP
Columbia, South Carolina
June 27, 2014

Grant Thornton LLP
U.S. member firm of Grant Thornton International Ltd

Sonoco Retirement and Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2013 and 2012

| (in thousands of dollars) | 2013 | 2012 |
|---|---|---|
| Assets | | |
| Investments, at fair value: | | |
| Plan investments | $813,647 | $— |
| Plan interest in Sonoco Products Company Master Trust | — | 638,127 |
| Total investments | 813,647 | 638,127 |
| | | |
| Receivables: | | |
| Notes receivable from participants | 26,884 | 27,373 |
| Employer contributions | 12,578 | 9,530 |
| Total receivables | 39,462 | 36,903 |
| | | |
| Net assets available for benefits at fair value | 853,109 | 675,030 |
| Adjustment from fair value to contract value for interest in Stable Value Fund relating to fully benefit-responsive investment contracts | (1,772) | (7,991) |
| Net assets available for benefits | $851,337 | $667,039 |

The accompanying notes are an integral part of these financial statements.

Sonoco Retirement and Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2013 and 2012

| (in thousands of dollars) | 2013 | 2012 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Net appreciation of Plan investments | $119,861 | $— |
| Interest and dividends on Plan investments | 5,882 | — |
| Net appreciation of Plan interest in Sonoco Products Company Master Trust investment income | — | 37,400 |
| Interest and dividends on Plan interest in Sonoco Products Company Master Trust investment income | — | 6,834 |
| Net investment income (Note 3) | 125,743 | 44,234 |
| Interest income on notes receivable from participants | 1,178 | 1,164 |
| Contributions: | | |
| Employer | 22,610 | 8,458 |
| Employees | 31,968 | 28,067 |
| Total contributions (Note 2) | 54,578 | 36,525 |
| Total additions | 181,499 | 81,923 |
| Deductions from net assets attributed to: | | |
| Distributions to participants | 65,599 | 52,237 |
| Administrative expenses (Note 5) | 2,167 | 1,346 |
| Total deductions | 67,766 | 53,583 |
| Increase in net assets available for benefits before transfer from/(to) other qualified plans | 113,733 | 28,340 |
| Transfers in from other qualified plans (Note 1) | 71,093 | 41,425 |
| Transfer out to other qualified plans (Note 1) | (528) | — |
| Increase in net assets available for benefits | 184,298 | 69,765 |
| Net assets available for benefits: | | |
| Beginning of year | 667,039 | 597,274 |
| End of year | $851,337 | $667,039 |

The accompanying notes are an integral part of these financial statements.

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Sonoco Retirement and Savings Plan
Notes to Financial Statements

Note 1. Description of the Plan

The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan document or the Summary Plan Description, not included herein, for a more complete description of the Plan and its provisions.

General

The Sonoco Retirement and Savings Plan (the “Plan”), formerly the Sonoco Savings Plan (the “Savings Plan”), is a defined contribution plan covering a majority of U.S. employees of Sonoco Products Company (the “Company” or “Sonoco”). The Plan is primarily designed to provide a retirement savings vehicle for its participants. The Company, a global manufacturer of industrial and consumer packaging products and provider of packaging services, is a South Carolina corporation founded in 1899 in Hartsville, South Carolina and has 335 locations in 33 countries. The Plan is subject to the applicable provisions of the Employee Retirement Income and Security Act of 1974, as amended (“ERISA”).

Effective December 15, 2012, the Sonoco Investment and Retirement Plan (“SIRP”) was merged into the Plan. SIRP assets totaling approximately $38,564,000 were transferred into the Plan on that date, and included approximately $9,290,000 in retirement contributions ("SIRP retirement contributions") receivable from the employer. Those receivables are included in the "Statements of Net Assets Available for Plan Benefits" as of December 31, 2012. The merger did not impact participant investments as they were undivided interests in the investment accounts. After the merge, the Plan holds sole interest of the investments previously held by the Trust. The participants of the SIRP plan remained subject to terms of the original SIRP plan document regarding eligibility requirements and employer retirement contribution calculations, which were integrated in the documents for the current Plan with an amended Plan document effective January 1, 2013.

During 2012, the 401(k) assets from the 2008 acquisition of ClearPack, totaling approximately $2,861,000, were transferred into the Plan.

The Company acquired certain businesses from Tegrant Corporation in 2011, whose net 401(k) assets, totaling approximately $71,093,000, were transferred into the Plan on January 1, 2013. Also during 2013, a business under the original Tegrant Corporation acquisition was sold and a deconversion of approximately $528,000 in Plan assets occured on April 24, 2013.

Participation

Most of the Company’s employees are eligible to participate with respect to Plan benefits other than retirement contributions upon completion of 30 days of service. However, employees at certain union locations may participate after 30 days of service, but are eligible to receive the Company’s matching and discretionary contributions only after 60 days of service, or after attaining age 21 and completing 1 year of service in which the employee worked a minimum of 1,000 hours, depending on the location.

An employee who was eligible under the terms of the SIRP is eligible to participate in Plan benefits with respect to retirement contributions from the employer. This includes those employees previously in the Sonoco Pension Plan (the “Pension Plan”), a separate plan sponsored by the Company, who elected to transfer into the SIRP under a one-time option effective January 1, 2010 and non-union employees hired on or after January 1, 2004, as they were ineligible for coverage under the Pension Plan.

Sonoco Retirement and Savings Plan
Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Contributions

Participants could elect to defer up to 30% of eligible gross pay through payroll deductions through December 15, 2010 and 100% thereafter. Employee contributions may be pre-tax, after-tax, Roth, or a combination thereof. The maximum annual employee pre-tax contribution for any participant was $17,500 for 2013 and $17,000 for 2012. Participants over age 50 could contribute additional pre-tax contributions up to $5,500 for both 2013 and 2012, subject to certain catch-up rules as defined under the Internal Revenue Code. Each participant's total annual contributions, including employer matching contributions, were limited to the lesser of $50,000 or 100% of gross pay in 2013, and $50,000 or 100% of gross pay in 2012. Under the Plan, participants may elect to have their account balances invested in 1% increments in any combination of eleven index funds, a Company stock fund (the "Sonoco Stock Fund"), and a Stable Value Fund. Participants have the option to reinvest Sonoco Stock Fund dividends within the Plan or to receive these dividends in cash. Once a participant's total account balance has been established and certain criteria are met, the participant can also invest funds in a Self-Managed Account.

The Company provides matching contributions and SIRP retirement contributions. Matching contributions are made in cash or the Company's common stock in amounts determined annually by the Company's Board of Directors (the "Board"). For 2013 and 2012, the Company matching contributions were equal to 50% on the first 4% of a non-union participant's pre-tax contributions. For union participants, the Company matching contributions are determined in accordance with collectively bargained agreements. All matching contributions were paid in cash and invested in accordance with the participants' chosen investment allocations. The Board may elect to provide additional matching contributions at its discretion; however, the Board elected no such contributions in 2013 or 2012. SIRP retirement contributions are made by the Company and equal 4% of eligible pay plus 4% of eligible pay in excess of the Social Security wage base to eligible participant accounts. Participants may direct J.P. Morgan ("JPM"), the Trustee, to invest any portion of retirement contributions in the available investment options.

Participant Accounts

For those eligible without respect to Plan benefits other than retirement contributions, each participant's account is credited with the participant's contributions; the Company's matching contributions, and an allocation of Plan earnings and losses. Each participant eligible with respect to retirement contributions is credited with the annual contribution for service in the previous year and Plan earnings and losses in his or her account. The allocation is based on participant earnings or account balances, as defined in the Plan. Net appreciation or depreciation of investments and investment earnings of each fund are allocated to participant accounts in proportion to each participant's account balance within each fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

The majority of participants are vested immediately in both the participant-funded contributions and the Company's matching and retirement contributions, plus actual earnings thereon. However, at certain union locations, participants vest in employer matching and discretionary contributions after completing a minimum number of years of service, ranging from two to five years, as specified by the union contract. Vesting in the Company's retirement contributions and earnings thereon are based on years of service. A participant is 100% vested after three years of service or upon reaching age fifty-five, if earlier. The participant's account is fully payable at retirement with respect to all contributions, including participant and employer matching and retirement contributions.

Sonoco Retirement and Savings Plan
Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Payment of Benefits

The Plan provides for benefits payable upon retirement, death, termination, or total and permanent disability. Benefits are distributed through lump-sum payments in cash or Company common stock, or in quarterly or annual installments of not less than $1,000. Participants with vested balances greater than $5,000 may elect to delay distributions from the Plan until age 70-1/2.

For vested retirement contribution accounts, distribution is made as a single lump-sum payment as soon as administratively practicable upon cessation of employment for amounts of $5,000 or less. If the vested value is greater than $5,000, distributions may be deferred until the participant reaches the age of 70 ½. If the participant dies and the balance is less than $5,000, the vested account balance is distributed to the beneficiary as soon as administratively practicable. If the balance is greater than $5,000, the beneficiary may elect to defer distribution of the vested account balance to a later date (distribution cannot be postponed beyond the age of 70 ½ for a spouse or one year for a non-spousal beneficiary). Alternatively, the beneficiary can make an election for a payment option for a complete distribution within five years of the participant’s death.

Notes Receivable from Participants

Participants may borrow from their fund accounts up to an amount no greater than the lesser of 50% of the vested account balance - excluding the portion attributable to SIRP retirement contributions - or $50,000 minus the highest outstanding note balance during the previous 12-month period. Notes are secured by the balances in the participant’s accounts, excluding any balances related to the retirement contributions. Interest is charged at a fixed rate for the full term of the note. The rate is based on the prime rate at the end of the fiscal quarter prior to note origination plus 1% (4.25% at both December 31, 2013 and 2012). Principal and interest is paid through payroll deductions over a period of no more than five years for a personal use note or twenty years for a residential home note.

Risks and Uncertainties

The Plan provides for various investment options. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the nature of most investment securities, it is likely that changes in the values of investment securities will occur in the near term and it is reasonably possible that such changes could materially affect participants’ account balances and the amounts reported in the “Statements of Net Assets Available for Benefits.”

Forfeitures

When certain terminations of participation in the Plan occur, the non-vested portion of the participant’s account, as defined by the Plan, represents a forfeiture. Forfeitures of account balances are used to reduce future employer matching and retirement contributions. For the year ended December 31, 2013, forfeitures totaling approximately $100,000 were used to reduce employer matching contributions. During 2012, forfeitures totaling approximately $127,000 and $151,000 were used to reduce employer matching and retirement contributions, respectively. At December 31, 2013 and 2012, the remaining balance in the forfeitures account totaled approximately $271,000 and $297,000, respectively. The 2012 amount includes forfeitures transferred from the SIRP at the December 15, 2012 merger date, which totaled approximately $205,000.

Sonoco Retirement and Savings Plan
Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through a Stable Value Fund. The “Statements of Net Assets Available for Benefits” presents the fair value of the investments in the Stable Value Fund, as well as the adjustment of the investment in the Stable Value Fund from fair value to contract value relating to the investment contracts. The “Statements of Changes in Net Assets Available for Benefits” is prepared on a contract value basis.

Contributions

Contributions from the Company are recorded in the year and in the amount authorized by the Board. The contribution receivable from the Company represents amounts authorized at year-end, but not yet received by the Plan, and includes both matching and SIRP retirement contributions. As of December 31, matching and SIRP retirement contributions receivable - net of forfeitures - were approximately $529,000 and $12,049,000, respectively, in 2013, and approximately $239,000 and $9,291,000, respectively, in 2012. Contributions from employees of the Company are recorded in the year in which the employee contributions are withheld from employee pay. All contributions from the Company are in the form of cash payments or Company common stock, as elected by the Board. The investment allocations of all employee and employer contributions are participant directed.

Investment Valuation and Income Recognition

The Plan’s investments are stated at fair value. During 2012, the fair value of the Pl