

SUSTAINABLE PROGRESS FORWARD
2007-2008



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Sustainability Mission Statement

Sonoco’s strategic mission statement is to be the low-cost global leader in providing customer-preferred packaging solutions to selected value-added segments, where we expect to be either number one or two in market share. Shareholder return, customer and employee satisfaction, commitment to excellence, integrity, environmental stewardship and a safe workplace will be the hallmarks of our culture.

The Company’s focus on sustainability is directly linked to and in support of its mission statement. We believe that initiatives around enhancing our reputation, being a strong corporate citizen,

providing a good place to work and being a good steward of our environmental resources will make us a stronger, more competitive company, better able to support and satisfy our broad customer base and provide shareholders with average annual double-digit total returns.

In today’s competitive global marketplace, the issues relevant to supporting sustainability are directly linked to Sonoco’s long-term profitability and viability. We believe that sustainability and business success are not only compatible but are inextricably linked and that by embracing both, we will benefit our shareholders for the long term.



Sonoco’s Sustainability Statement of Intent

Sonoco will be the packaging industry leader in creating, maintaining and enhancing a sustainable future that benefits all of its stakeholders through continuous improvement in operating performance, social responsibility and environmental stewardship.

DEAR SONOCO STAKEHOLDERS:



I am pleased to provide you with Sonoco's first annual Sustainability Report. Throughout its history, Sonoco has pursued sustainability by working to enhance the "triple bottom line." By balancing and integrating environmental stewardship, social responsibility and economic performance within our business strategy and culture, Sonoco is becoming more competitive and better prepared to meet the challenges of the future.

Sonoco has been pursuing the "triple bottom line" of sustainability for more than a century. We are one of the largest recyclers in the packaging industry and were engaged in recycling long before it was considered important. Recycled waste paper and other recycled materials serve as the primary raw materials for much of our industrial and consumer packaging. For example, Sonoco is the world's technology and market leader in recycled paperboard tubes and cores and composite containers.

Sonoco also has a unique culture where our people and values are at the forefront in building the successful businesses we operate today. We are further building upon this heritage by implementing formalized sustainability programs and developing more sustainable packaging and service offerings for our customers.

We believe that issues supporting sustainability are directly linked to Sonoco's long-term profitability and viability. Because of that, we created a sustainability council in 2005 which reports directly to me and provides feedback, guidance and oversight on sustainability-related issues. This council has developed Company-wide metrics, outlined in this report, and monitors progress on a series of environmental, social and economic goals. Furthermore, we are driving sustainability efforts in all of our businesses and our progress is reported to our Board of Directors.

Sonoco's goal is to be the packaging industry leader in creating and enhancing a sustainable future that benefits all of our stakeholders—shareholders, customers, employees, and the communities where we live and work. We are focused on continuous improvement in operating performance, environmental stewardship and social responsibility.

Shrinking our environmental footprint

Globally, Sonoco operates 334 plants in 35 countries; each has an environmental footprint we are actively working to reduce. Substituting more environmentally compatible materials during manufacturing while reducing wastes, energy usage and emissions makes good business sense. These actions, in most cases, result in reduced operating costs and improved productivity. Over the past six years we have reduced the energy used to produce a ton of paperboard in our North American mills by more than 12%. In addition, some of our manu-

facturing plants use renewable fuels or are examining opportunities for renewables. Reducing energy and water use are helping Sonoco further reduce greenhouse gases and other emissions. In addition, we are working to reduce landfill wastes from our operations with a goal of achieving zero landfill waste. During 2007, we introduced a new internal program to increase office recycling called “It’s Easy Being Green” that educates our employees on the benefits of recycling to gain their support in reducing wastes and our operating costs.

Creating sustainable value for our customers

Sonoco is focused on developing new sustainable-related commercial opportunities for our customers. During the past year, we developed a new computer software system that provides the superior design concepts to meet our customers’ needs while considering performance, cost and sustainability options. This new design program focuses on reducing product weight by eliminating materials or down-gauging a structure and



Sonoco creates sustainable value for its customers by providing “cradle-to-cradle” packaging solutions and services.

decomplicating packaging to improve its recyclability. We are also working with our customers to identify, research and incorporate more sustainable materials that can enhance our customers’ products. And, we are working with our customers to recover and recycle their packaging wastes and reduce landfill wastes coming from their manufacturing, distribution and retail locations. Examples of some of our new sustainable product offerings are shown on pages 9 and 10.

Enhancing corporate citizenship

Our social responsibility actions are focused both internally and externally. Our employees made a significant improvement in reducing work-related injuries in 2007. We also stepped up efforts to provide more health screening, smoking-cessation, weight-control and exercise programs to help improve our employees’ health. In addition, Sonoco and its employees actively support our communities, particularly in areas of education. While the Company annually budgets approximately 1% of its consolidated pretax income in the areas of education, health and welfare, arts and the environment, our support of educational programs in our communities helps develop future Sonoco employees and customers.

The triple bottom line

Sustainability is more than a passing fad. Consumers and regulators are asking, and in some cases, demanding less packaging. Retailers and consumer product companies are increasing integrating sustainability into their business strategies and looking for Sonoco to make their efforts successful.

We are working to balance our customers’ and consumer demand for more sustainable packaging with requirements for convenience, performance and price. We are focused on taking a full life cycle view of sustainability and factoring in changing technologies and evolving regulatory requirements into workable sustainable business strategies. Proactive sustainability initiatives are an opportunity to differentiate Sonoco as a leader in our industry.

We are excited about the future business opportunities that exist and look forward to seeing how sustainability will influence the future of the packaging industry and our Company to benefit all our stakeholders.

Sincerely,

Harris E. DeLoach Jr.
Chairman, President and Chief Executive Officer

ENVIRONMENTAL STEWARDSHIP

REDUCING OUR ENVIRONMENTAL FOOTPRINT



For the past 10 years at its Richmond, Va., paper mill, Sonoco has annually recycled 1,500-1,700 tons of waste fiber into compost sold to commercial landscapers.

Environmental policy

Sonoco takes seriously its responsibility to protect the environment in which we work and live, and will conduct its business in accordance with all legal requirements and ethical responsibilities, using scientific knowledge, technical innovation and sound environmental management practices.

- We will be sensitive to environmental issues throughout our business systems, including our selection of materials, processes and products. We will utilize appropriate monitoring techniques to ensure adherence to accepted standards.
- We will conduct our operations in full compliance with applicable environmental laws and regulations. In those areas of the world where such requirements are at a minimum, we will operate in a completely responsible manner.
- We will utilize natural resources efficiently, continuously seeking ways to reduce our requirements. We will strive to maximize the utilization of recovered materials in the products we manufacture and use.
- We will minimize the generation of discharges to the environment, including air emissions, wastewater and solid waste.
- We will support the development of scientific knowledge relating to environmental matters and implement appropriate new technologies to improve our environmental performance.
- We will proactively assist our customers in addressing environmental issues related to their use of our products.

- We will communicate openly with our stakeholders concerning our environmental record.
- We will cooperate with public and governmental organizations to seek responsible solutions to environmental needs and to develop effective and balanced environmental standards.

Overview

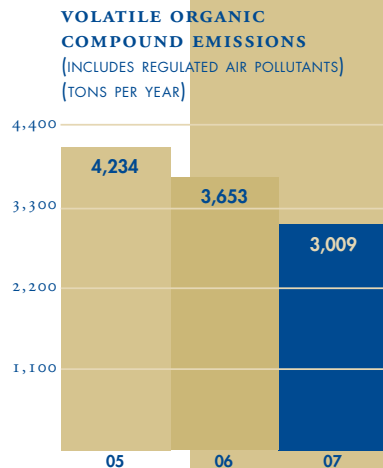
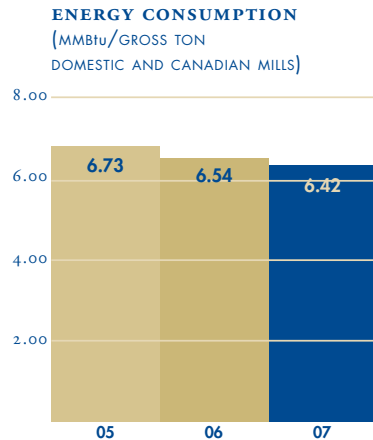
For a century plus, Sonoco has strived to be a good corporate citizen, and this effort has always included a respect for the earth's environment. Globally, Sonoco operates 334 plants in 35 countries. Each of these plants has an environmental footprint which the Company is working to shrink. From a historical perspective, Sonoco has always complied with applicable environmental laws and regulations, even exceeding these standards when technology opportunities made it possible. Sonoco is committed to strengthening its environmental management systems and conducting its business in a manner that minimizes current and future environmental risks for the Company and the communities in which we operate.

Our organized efforts on environmental compliance go back several decades, while our focus on environmental management systems is more recent. Today, several of our plants in Europe are certified as ISO 14001. The Company is developing a new environmental management tracking system to further gauge our global environmental impacts, focused primarily on

ENVIRONMENTAL STEWARDSHIP

MEMBERSHIPS

- American Forest and Paper Association
- Carolina Recycling Association
- City of Columbia Green Business Initiative
- Environmental Education Association of South Carolina
- Institute of Scrap Recycling Industries
- National Association of Information Destruction
- National Council for Air and Stream Improvement
- National Recycling Coalition
- Paper Stock Institute (Chapter of ISRI)
- Program for the Endorsement of Forest Certification
- Sustainable Packaging Coalition
- Virginia Recycling Association
- Walmart's Packaging Sustainable Value Network



energy consumption, greenhouse gas emissions, other regulated emissions, water usage and waste management. In 2009, Sonoco will establish global Companywide baselines and reduction goals, as it has in many of its North American and European operations.

Energy efficiency drives greenhouse gas emission reductions

With energy costs rising, Sonoco is motivated to reduce energy used in its operations while looking for cost-effective renewable fuel alternatives. Since 2001, the Company has reduced the amount of energy used to produce paperboard at the Company's North American paper mills by approximately 12%. This effort has resulted in an estimated saving of approximately \$13 million, while reducing the use of fossil fuels. Sonoco also takes paper mill byproducts at certain of its plants for use as an alternative boiler

fuel to produce steam and electricity. Sonoco is also investigating the use of renewable fuels, including biomass, as a cost-effective boiler fuel alternative to replace coal and other fossil fuels.

Sonoco's greenhouse gas emissions primarily come from the use of fossil fuels in boiler operations that produce

steam and from electricity purchases. As a result of its energy efficiency efforts, Sonoco is effectively reducing greenhouse gas emissions. From 2005 to 2007, tons of CO₂ equivalent emitted by Sonoco's North American paper mills per ton of paper produced has remained essentially flat.

Regulated emissions reduced

Releases of regulated air pollutants, including volatile organic compounds (VOC) and other emissions, occur within permitted levels from certain of Sonoco's flexible packaging, and metal ends and closures operations. Since 2005, VOC emissions generated primarily by vaporization of organic solvents and coatings have been reduced by 29% as a result of process changes, raw material substitutions and additional emission control.

Water consumption management

Sonoco uses water in its North American paper mills to make paper, to produce steam and as a coolant. Much of the water used for processing and cooling at Sonoco's mills is treated and returned to the environment. However, the Company is focused on reducing the amount of water used in its operations by increasing the reclamation of process water.

ENVIRONMENTAL STEWARDSHIP



Waste management

Since the early 1900s, Sonoco has collected and processed old corrugated containers and other recovered paper as a raw material to supply the Company's uncoated recycled paperboard mills. In 2007, Sonoco produced approximately 1.9 million tons of recycled paperboard. In keeping with the Company's vertically integrated business model, about 65% of the Company's recycled paperboard was used by other Sonoco businesses to produce consumer and industrial packaging.

In addition to recycling our customers' wastes, Sonoco is actively pursuing efforts to reduce wastes from our operations that end up in landfills, with a goal of achieving zero landfill disposals. Currently, Sonoco spends approximately \$6 million annually to dispose of byproducts from papermaking and scrap materials from the converting operations, as well as simple office wastes.

Linked with the Company's commercial recycling business, Sonoco has an active program focused on improving recycling and eliminating internal waste generation. For example, at a paper mill in Wisconsin, the Company is sending paper mill byproducts to a local power plant

where they are consumed as fuel to produce steam and electricity. At Sonoco's Richmond, Va., mill, a program is in place with a small supplier to use byproducts for making compost. Combined, these two projects are saving Sonoco approximately \$360,000 annually.

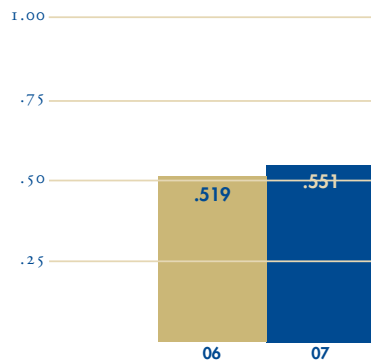
It's Easy Being Green

Along with Sonoco's efforts to improve its environmental footprint, the Company in 2007 expanded its efforts to reduce office waste. In conjunction with Earth Day, office employees in Hartsville, S.C., were urged to increase their commitment to recycling office waste.

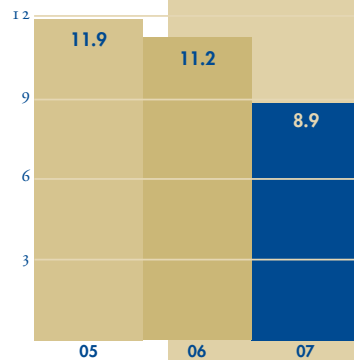
At the same time, Hartsville employees received new desk trays for collecting paper, and existing large paper collection bins were marked for visibility. New collection bins for aluminum cans, plastic drink bottles and printer cartridges were placed in break rooms and conference rooms throughout the campus. More recently, Hartsville employees were offered a free, one-time chance to exchange any regular light bulb lamp for a new, energy-saving compact fluorescent light bulb.

In 2008, recycling desktop trays and "It's Easy Being Green" communications materials focusing on steps employees can take to reduce office waste are being provided to all North American locations. A Sonoco Recycling division employee team has also begun implementing the Company's successful

GREENHOUSE GAS EMISSIONS
(METRIC TONS OF CO₂ EQUIVALENT
EMITTED PER TON OF PRODUCTION
DOMESTIC PLANTS AND CANADIAN MILLS)



WATER CONSUMPTION
(THOUSANDS OF GALLONS
PER TON OF PAPER PRODUCED
DOMESTIC AND CANADIAN MILLS)



ENVIRONMENTAL STEWARDSHIP

SUSTAINABLE PACKAGING COALITION HAS DEFINED SUSTAINABLE PACKAGING

- Is beneficial, safe and healthy for individuals and communities throughout its lifecycle;
- Meets market criteria for performance and cost;
- Is sourced, manufactured, transported and recycled using renewable energy;
- Maximizes use of renewable and recycled source materials;
- Is manufactured using clean production technologies and best practices;
- Is made from materials healthy in all probable end-of-life scenarios;
- Is physically designed to optimize materials and energy;
- Is effectively recovered and utilized in biological and/or industrial cradle-to-cradle cycles; and
- Is manufactured using clean production technologies and best practices.



SUSTAINABLE PACKAGING COALITIONSM



waste-reduction program, Sonoco Sustainability Solutions (S3), throughout the U.S. and Canada.

New life for electronic equipment

Sonoco's Corporate Information Technology (IT) department collects used electronic equipment for recycling, including computers, printers, mobile phones and more. When possible, such equipment is refurbished and provided to nonprofit organizations such as the Hartsville YMCA and the South Carolina Commission for the Blind. Starting at Hartsville locations in 2008, the IT department has begun auditing employee use of fax, print, scan and copy machines, and providing appropriate Multi-Function Devices to reduce ink, paper and energy waste.

Sonoco Recycling

In 2007, Sonoco renamed its global recovered paper business Sonoco Recycling. The new name is reflective of the variety of materials the business collects for recycling—approximately 3.5 million tons per year—including not only old corrugated containers, but also various grades of paper, plastic, metal, glass

and other recyclable materials. The new name also positions the business to augment its fast-growing waste reduction consulting services, driven by market demand for environmentally sustainable business practices.

Sonoco Recycling collects and processes recyclable materials at 46 locations primarily in North America and Europe, operates a fleet of trucks with 1,300 trailers and has a team of recycling professionals, many of whom are experts in waste management and manufacturing process improvement. In the U.S. and Canada, Sonoco Recycling in 2007 collected approximately 1.7 million tons of recovered paper and other materials.

Sonoco operates a fully automated, state-of-the-art materials recovery facility that recycles curbside-collected and dual-stream residential and commercial waste materials from the greater Raleigh, N.C., area as well as several other municipalities in eastern North Carolina. The 45,000 square foot recycling facility uses a computer-automated reclamation processing system. Sonoco Recycling operates a similar materials recovery facility in Columbia, S.C.

Sonoco donates used computer equipment to nonprofit organizations like the South Carolina Commission for the Blind, which uses it to narrate emails for visually impaired residents.

ENVIRONMENTAL STEWARDSHIP

AWARDS

- South Carolina Excellence in Workplace Diversity Award (The South Carolina Diversity Council)
- North America's Top 20 Companies for Leaders. (Hewitt Associates, in partnership with The RBL Group and *Fortune* magazine)
- Buyer of the Year: Marc Ensign (The Carolinas Minority Supplier Development Council)
- KLD Indexes' Domini 400 Social Index
- Good Corporate Citizen Award (The Sanitation Boards of Los Angeles County)
- Chairman's Award: Sonoco's Pioneer Valley tube and core plant in Holyoke, Mass. (The Safety Council of Western New England)
- Supplier of the Year: Morganfield, Ky. (Daramic, LLC)
- Conservation Communication Award: Jane Hiller (South Carolina Wildlife Federation)
- Partners in the Promise Supplier Diversity Award (Coca-Cola)
- Named one of *CRO's* "10 Best" in the Paper sector in 2007 (*Corporate Responsibility Officer* Magazine)
- 550 on the 2007 Fortune 1000 List



Sonoco Sustainability Solutions (S3)

Sonoco Sustainability Solutions (S3) is a fast-growing waste reduction consulting service, launched by Sonoco Recycling in 2007. Designed to help customers decrease—and ultimately eliminate—landfill waste, S3 serves some of the world's largest consumer product goods companies, manufacturers, distributors and retailers.

As one of the largest packaging companies with a stand-alone recycling division, Sonoco started the S3 service as an internal initiative for its own plants. Sonoco customers quickly showed interest in the service for their own facilities, and S3 was born.

S3 has produced dramatic results for customers, in some cases reducing a facility's landfill waste by as much as 60%. Although many customers had recycling programs in place prior to S3 implementation, they considered many materials unrecyclable. S3

redirects many materials—such as old corrugated cardboard, plastic banding, film, bulk plastic liners and sacks—to places where they can be processed and used again.

The value of S3 is multifaceted

- Helps manufacturers and retailers answer an ever-growing consumer demand for environmentally sustainable products,
- Reduces costly landfill fees and waste-hauling charges,
- Enhances manufacturing productivity by improving scrap collection processes,
- Generates incremental income through the sale of scrap materials, and
- Improves customer sustainability scorecard ratings.

For each customer, the S3 service begins when Sonoco's waste reduction experts conduct an audit-type review of the customer's existing waste-handling practices. Then, S3 experts develop and implement customer-specific solutions, resulting in a unique combination of improvements, for both the customer's environment and bottom line.



Sonoco's S3 experts audit customer facilities to develop programs that reduce waste hauling charges and landfill fees and produce new revenue through the sale of previously land-filled materials.

SUSTAINABLE PRODUCTS AND SERVICES

CONSUMER PRODUCTS



PJ's Coffee material reduction

PJ's Coffee of New Orleans has launched new coffee bags for 26 SKUs in Sonoco's new matte-finished, three-ply foil-based bags. The new leaner, greener structure is composed of polyester, foil and a polyethylene sealant. This bag requires 10% less material, uses 15% less energy to produce and has 10% fewer carbon emissions compared to a traditional four-ply structure.

Suave rigid plastic container redesign

Unilever USA was able to strengthen its Suave brand image, reduce cost and reduce its environmental footprint by working with Sonoco's Matrix Packaging to redesign Suave's rigid plastic shampoo and conditioner bottles. The attractive new curve in the bottles' walls improved the overall bottle strength and reduced the amount of required resin by 16%.

Meow Mix® Dorpak® recycled paperboard container

Del Monte Pet Products needed a strong presentation of Meow Mix Seafood Medley dry cat food for a holiday end-cap promotion with Walmart. Sonoco's Dorpak rigid paper container offered the perfect combination of performance and sustainability. This rigid paper pail is stackable and re-closeable, made primarily from 100% recycled paperboard and contains 85% recycled content.

Sonopop® display: 100% recyclable paperboard

Sonoco's Sonopop modular palletized display system is made of 100% paper components and is 100% recyclable. It contains no excess boxes, pads, fillers, plastic clips, adhesives or metal supports found on traditional pallet displays, but provides three to four times the expected floor life of traditional pallet displays, promoting reuse. What's more, double stacking reduces the number of trucks used to ship the displays to retail.

Down-gauged metal ends and closures

In recent years, Sonoco Phoenix has been a leader in the use of down-gauged metals to produce convenience closures. Today, we have reduced the total metal used by approximately 10% and are working toward further reductions of 10–15% in the next five years. Additionally, Sonoco Phoenix has converted many customers from petroleum-based solvents to water-based compounds and coatings and we are working to eliminate all solvent-based compounds.

PIF conversions

Sonoco is converting the world's leading powdered infant formulas from metal cans to composite cans. Composite cans provide the same performance in abuse resistance and shelf life, but have a reduced environmental footprint through a 27% reduction in material weight inputs, a 34% reduction in energy inputs, a 20% reduction in greenhouse gas emissions and a 22% reduction in certain regulated air emissions.

SUSTAINABLE PRODUCTS AND SERVICES

INDUSTRIAL PRODUCTS AND SERVICES



Recycled paperboard protective packaging

Retailers' and large appliance manufacturers' focus on damage prevention is driving growth opportunities for Sonoco's proprietary Sonopost® corner posts, cross braces and Sonobase® carrier systems. This protective packaging is not only made of 100% recycled paperboard, it is recyclable.

Stealth Core™ recycled paper film cores

Sonoco's Stealth Core technology helps film manufacturers and end users improve sustainability ratings and packaging-related film performance. Stealth Core film cores offer the same performance and strength as standard cores, but are lighter in weight, require less raw material and energy to produce and provide improved greenhouse gas emissions, sustainable materials and package-to-product ratio ratings.

Recycled paper rotary die boards

Sonoco's Revo™ die boards are the world's first recycled rotary die boards developed to offer diemakers and converters an environmentally responsible alternative to costly hardwood plywood. Revo die boards are constructed from recycled paper and are a perfect fit for companies looking for sustainable resources, "green" practices and cost savings. Furthermore, a portion of each Revo sale goes directly to the Arbor Day foundation to plant trees.

Wire and cable reel recycling services

Sonoco has helped U.S. electric utilities and wire and cable manufacturers save approximately 50,000 trees

and \$6 million in disposal costs by recycling more than 150,000 wire and cable reels over the past year. Sonoco supplies these customers with cost-effective reels, and when the customer is ready, Sonoco collects the used reels to be cleaned, refurbished and repainted. This program serves 1,200 end users in 641 cities in the United States and Canada.

Dura-Block™ pallet blocks

Dura-Block pallet blocks are made from recycled wood and are recyclable. They provide twice the nail-pop strength of standard wood blocks and offer three times the fork-tine compression of wood. This enables higher reuse of pallets and helps reduce the cost to replace split wood or damaged pallets. Dura-Block pallet blocks stand up to the rigors of everyday business without breaking down or damaging customer goods.

SFI certification for 14 paper mills

Fourteen of Sonoco's paper mills have achieved third-party chain of custody certification and product labeling capability from the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and the Program for the Endorsement of Forest Certification (PEFC) under a multi-site program. This third-party certification validates formal processes that provide customer assurance regarding the amount of post-consumer recycled fiber content in our products while recognizing our efforts for supporting responsible forest management.



The Global Benchmark for Responsible Forest Management

S O C I A L R E S P O N S I B I L I T Y

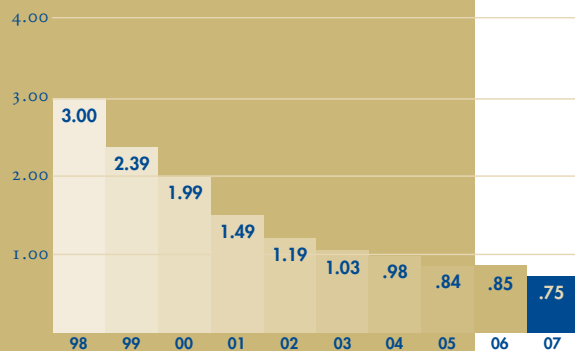
OVERVIEW

SAFETY

In 2007, Sonoco employees set a new safety record, ending the year with a total incident rate (TIR) of .75 (annualized number of reportable injuries per 100 full-time employees), a significant improvement over 2006's TIR of .85. Since 1999, our employees have reduced recordable injuries by 67%.

Employees at 157 Sonoco plants worked all of 2007 without any recordable injuries; 215 Company facilities qualified for the President's Safety Award by achieving at least 200,000 injury-free hours.

SAFETY PERFORMANCE
(TOTAL INCIDENT RATE PER 100 EMPLOYEES PER YEAR)



Since 1899, Sonoco has followed the belief that we have an inherent responsibility to help improve the quality of life in the communities where we operate. Sonoco's philanthropic, community, employee and general citizenship activities and policies are reviewed by the Employee and Public Responsibility Committee of the Company's Board of Directors.

Sonoco's sustainable profitability allows the Company to respond to many needs in communities where we operate. Our involvement goes beyond financial support. Our employees also share their time, treasure and talent. Wherever possible, our financial giving is structured to support projects in which our employees volunteer. In 2007, Sonoco cash contributions totaled more than \$2.2 million.

Our community relationships are a very important to our business. To provide opportunities for employee, retiree and director participation, Sonoco sponsors a matching gifts program to colleges and universities they choose to support. Through this matching gifts program, Sonoco matches these donations 100% up to \$2,000 per year. In 2007, \$113,160 was expended in matching gifts. Sonoco and its employees also provide strong support of local United Way organizations, and the Company sponsors a scholarship program for employees' children who wish to attend college or vocational schools by awarding 10 four-year

scholarships in the amount of \$2,000 per year. The criteria for selection is based upon academic record, demonstrated leadership and participation in school and community activities, work experience and a statement of goals and aspirations.

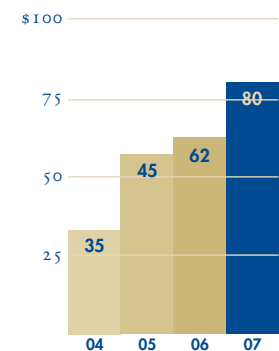
The primary vehicle for Sonoco contributions is through the Sonoco Foundation. The Foundation is funded entirely by the Company. Foundation grants are approved by the Sonoco Contributions Committee. Funding is concentrated on those institutions, programs and organizations that encourage the development of education, social welfare and health, arts and cultural, civic institutions, also reflecting employees' volunteerism wherever possible.

Sonoco remains flexible to the ever-changing needs of the community. While general guidelines are followed, there is leeway in meeting special needs which may arise in communities where the Company operates.

Diversity

Our focus on increasing employee and supplier diversity continues to grow. Sonoco views supplier diversity, which directs a portion of the Company's total vendor spend to women- and minority-owned suppliers to improve economic equality, a key component of corporate

SUPPLIER DIVERSITY SPENDING
(MILLIONS OF DOLLARS)



THE SONOCO FOUNDATION

Contributions

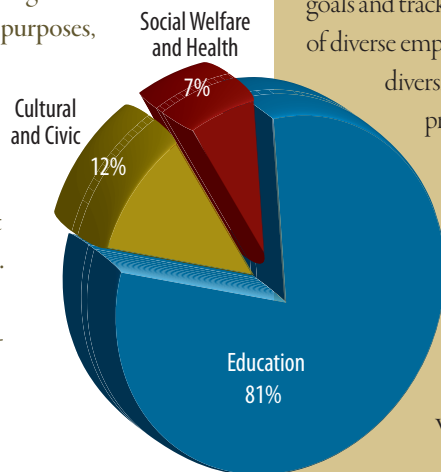
A summary of all 2007 cash contributions in Sonoco communities.

● Educational	\$ 1,796,610
● Cultural and Civic	256,950
● Social Welfare and Health	151,314
● Total Contributions	\$2,204,874

General policy and guidelines

The general target for Sonoco’s charitable contributions is 1% of Company domestic pretax profits. Charitable grants are made only to organizations with tax-exempt status. Our priority is to give to and support those communities in which we operate. Special consideration is given to those institutions which are supported by our employees through their personal contributions of time and/or money. Sonoco does not make grants to individuals or organizations for religious or political purposes, either for lobbying efforts or campaigns. Sonoco generally does not make grants for educational capital funds programs, endowment purposes, or for trips or tours.

All requests for specific information should be sent to:
 Sonoco Foundation – A09
 1 North Second Street
 Hartsville, SC 29550



responsibility. Top U.S. companies, in terms of supplier diversity, direct 75% to women- and minority-owned suppliers; the national average is about 3.9%.

We are committed to being a leader in this area and have quadrupled our annual diverse supplier spend in the past few years.

And to us, employee diversity means fostering, from the top down, an environment that encourages every employee to contribute ideas, seek challenges, assume leadership and achieve his or her personal goals by helping Sonoco succeed. To improve our hiring and retention of African-American and female employees, we use specialized external recruiters, have created Employee Networks and expanded and promote our family friendly policies. Sonoco’s senior management also compares the makeup of Sonoco’s global workforce to Company goals and tracks hires, terminations and promotions of diverse employees quarterly. We also conduct a diversity survey every two years to gauge progress and identify areas that need additional focus.

In 2007, the South Carolina Diversity Council, in partnership with the South Carolina Chamber of Commerce, awarded us the South Carolina Excellence in Workplace Diversity Award.

Supplier diversity recognition

In May 2008, The Coca-Cola Company presented Sonoco with its “Partners in the Promise” Award for Sonoco’s support of this important customer’s second-tier diversity initiative at its annual awards celebration in Atlanta, Ga., honoring Supplier Diversity Champions and Partners. Sonoco was the only corporation to receive this prestigious award for 2007.

Believing, like Sonoco, that second-tier engagement with minority- and women-owned enterprises (MWBES) is critical to the success of supplier diversity, The Coca-Cola Company applauded and recognized us for embracing its second-tier program and acting as a committed, proactive partner in helping Coca-Cola reach and include more MWBE suppliers in its procurement process.

Hartsville High School International Baccalaureate Program

Knowing that quality education is critical to creating better communities, we are playing an important role in the creation of a world-class International Baccalaureate program in our home town high school. To help Hartsville High School implement this program that will expand educational opportunities for bright local students and produce inquiring and knowledgeable future employees, customers and leaders, Sonoco contributed \$142,600 in underwriting.

ECONOMIC PERFORMANCE

OVERVIEW

GOVERNANCE

Sonoco will adhere to the concept that greater transparency and comparable financial reporting is a desirable goal that is beneficial to the Company's shareholders and all other stakeholders. In that regard, Sonoco's board of directors and its leadership team strongly support and adhere to legislative and regulatory standards adopted by the U.S. Congress, the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE). The Company pledges full and timely compliance not just with the 'letter of the law,' but also the intent of all applicable regulations.

Integrity is a hallmark of our culture. Sonoco will not permit any type of illegal, unethical or improper behavior on the part of any employee. Employees are expected not only to comply with the law but also to conduct all aspects of Sonoco's business in a fair and ethical manner.

In 2007, Sonoco was named one of *CRO* magazine's 10 best corporate citizens in the paper industry. *Fortune* magazine also named Sonoco the sixth most admired company in the United States' packaging and container industry.

Sonoco's economic success allows the Company to fulfill its obligation as a responsible manufacturer, employer and member of the communities in which it operates. By almost any measure, 2007 was another successful year for Sonoco, despite facing tremendous increases in raw material costs and a slowing economy in North America. The Company achieved record sales and net income while growing each of these key measures by about 10%.

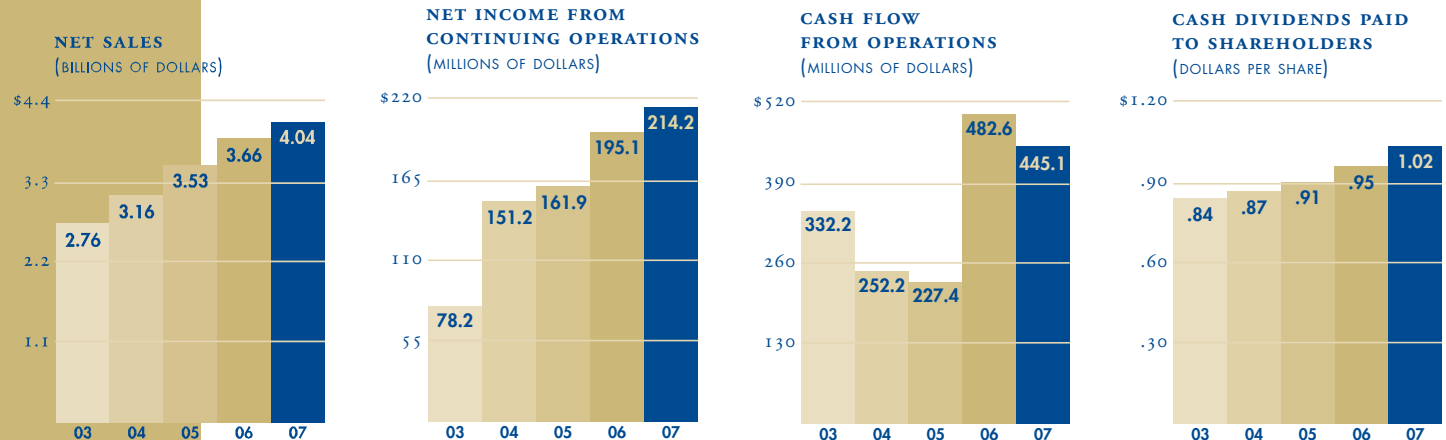
Since 2002, Sonoco has grown sales at an 8.4% compound average rate and earnings by double digits. This is significantly higher than what the Company achieved over the previous five-year period.

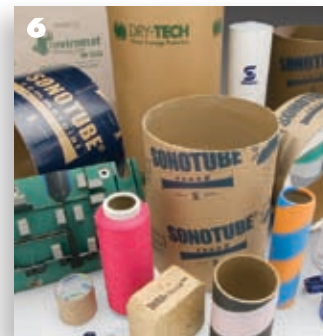
The Company continued to generate strong cash flow from operations, which topped \$445 million in 2007, the second highest level in Company history. The cash

was used to invest in growing the Company and returning value to shareholders through increased dividends and stock repurchases. The Company has paid dividends to shareholders for 332 consecutive quarters, dating back to 1925.

Scorecard

Sonoco, like many publicly traded companies, has its governance policies, procedures and actions reviewed and rated by third-party governance metric services. The Company's year-end 2007 governance index scorecard, as reviewed by Risk Metrics' ISS Governance service, was 80.3% versus the Standard & Poor's Mid-Cap 400 and 89.4% versus the materials industry. These percentile metrics mean that Sonoco's governance policies and actions were determined to be better than 80.3% of the other S&P 400 index companies and 89.4% better than companies in the materials industry index.





Founded in 1899, Sonoco today serves industrial and consumer customers in 85 nations. From our headquarters in Hartsville, S.C., and from approximately 334 manufacturing and sales locations in 35 countries, our approximately 18,600 employees produce packaging for a variety of industries and for many of the world's most recognized brands.

1. Rigid Packaging – Paper

The world's largest producer of composite cans and a leader in rigid paperboard containers

Products and Services: Round and shaped composite paperboard cans, paperboard pails, single-wrap paperboard packages, fiber cartridges

Markets: Food: Snacks, nuts, cookies and crackers, confectionery, frozen concentrates, powdered beverages and infant formulas, coffee, refrigerated dough, spices/seasonings, nutritional supplements, pet foods **Nonfood:** Adhesives, caulks, cleansers, chemicals, lawn and garden, automotive, pet products

2. Rigid Packaging – Plastic

A leader in rigid plastic containers and closures

Products and Services: Bottles, jars, tubs, cups, trays, squeeze tubes

Markets: Food: Liquid beverages (noncarbonated), including functional beverages and ready-to-drink coffee, processed foods, sauces and pet foods, powdered beverages including coffee, snacks and nuts

Nonfood: Household chemicals, industrial chemicals, adhesives and sealants, personal care

3. Ends and Closures

A world leader in convenience closure technology and manufacturing

Products and Services: Aluminum, steel and peelable membrane easy-open closures for composite, metal and plastic containers

Markets: Processed foods in metal and plastic containers, coffee, beverages, powdered beverages and infant formulas, snacks, nuts, nutritional supplements, spices/seasonings, pet foods and treats, and nonfood products

4. Printed Flexible Packaging

A provider of printed high-barrier, high-performance innovative flexible packaging solutions

Products and Services: Flexible packaging made from thin-gauge, high value-added rotogravure, flexographic and combination printed film including high-performance laminations and rotogravure cylinder engraving

Markets: Confectionery and gum, hard-baked goods, coffee, processed foods, beverages, snack foods, pet foods, home and personal care

5. Matrix Packaging

A leading manufacturer of plastic containers and injection molded parts, producing components by extrusion blow molding, injection stretch blow molding, injection molding and assembly

Products and Services: Monolayer and multilayer containers and specialty injection molded components and caps

Markets: Health and beauty, household chemicals, pharmaceuticals, automotive, food

SONOCO AT A GLANCE



6. Tubes and Cores

The world's largest producer of tubes and cores

Products and Services: Paperboard tubes, cores, roll packaging, molded plugs, pallet components, concrete forms, void forms, rotary die boards, supply chain packaging services

Markets: Construction, film, flowable products, metal, paper mill, shipping and storage, tape and label, textiles, converters

7. Paper

A global manufacturer of uncoated recycled paperboard for Sonoco's fiber-based packaging divisions and the external converting industry

Products and Services: Recycled paperboard, chipboard, tubeboard, lightweight corestock, boxboard, linerboard, specialty grades, recovered paper

Markets: Converted paper products, spiral winders, beverage insulators, displays, gaming, paper manufacturing



8. Service Centers

Provide a fee-for-service arrangement for supply chain management

Services: Packaging supply chain management, including custom packing, fulfillment, primary package filling, scalable service centers and global brand artwork management

Markets: Personal care, baby care, beauty, healthcare, electronics, food, hosiery, pharmaceuticals, office supplies and toys



9. Point-of-Purchase (P-O-P)

A leading provider of P-O-P displays, including fulfillment operations, for a "one-stop" display needs solution

Products and Services: Designing, manufacturing, assembling, packing and distributing temporary, semipermanent and permanent P-O-P displays, as well as contract packaging, co-packing and fulfillment services

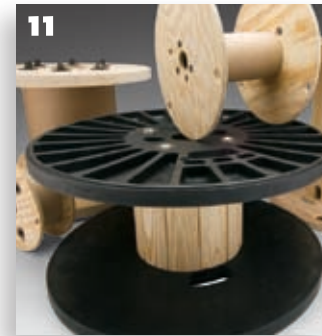
Markets: Consumer packaged goods, including: automotive, beverages, confectionery, electronics, cosmetics, food, fragrances, healthcare, home and garden, liquor, medical, office supply, over-the-counter drugs, personal care, sporting goods and tobacco



10. Protective Packaging

A leading provider of custom-designed and engineered protective packaging solutions

Products and Services: Proprietary Sonopost® technology and Sonobase® carrier and Sonopop® display systems (sold by Sonoco CorrFlex), concept, design, testing and manufacturing of multi-material solutions, on-site engineering, ISTA- and Sears-certified engineering and testing facilities



11. Wire and Cable Reels

The leading producer of wooden, composite and metal reels in North America for the wire and cable industry

Products and Services: Steel, nailed wooden, plywood, recycled and poly-fiber reels

Markets: Wire and cable manufacturers



12. Molded and Extruded Plastics

A leading innovative solutions provider of engineered plastic products

Products and Services: Complete offering of product design, tool design and fabrication; manufacturing in both injection molding and extrusion technologies

Markets: Consumer and industrial packaging, food service, textiles, wire and cable, fiber optics, plumbing, filtration, automotive, medical, healthcare

13. Paperboard Specialties

A leading supplier of paper amenities for food service, hospitality and beverage markets in North America

Products and Services: Custom-printed Rixie™ coasters, Stancap® glass covers, other paper amenities

Markets: Hotels and resorts, restaurants, casinos, country clubs, catering services, cruise lines, airlines, healthcare facilities, advertising

BOARD OF DIRECTORS EMPLOYEE AND PUBLIC RESPONSIBILITY COMMITTEE:

John E. Linville – committee chair
James L. Coker
Dr. Pamela L. Davies
Edgar H. Lawton III
Lloyd W. Newton
Philippe R. Rollier

SUSTAINABILITY COMMITTEE:

Cindy Hartley: Senior Vice President, Human Resources – committee chair
Vicki Arthur: Vice President, Global Corporate Accounts
Gloria Bell: Director, Internal Audit
Myles Cohen: Division Vice President and General Manager, Sonoco Recycling
Charles Coker Jr.: Staff Vice President, Business Development
Rodger Fuller: Vice President, Global Rigid Paper and Closures
John Grups: Staff Vice President, Operating Excellence
Allan McLeland: Director, Talent Management
Marty Pignone: Vice President, Global Manufacturing – Industrial
Brad Ross: Division Vice President and General Manager, Packaging Services
Roger Schrum: Staff Vice President, Investor Relations and Corporate Affairs
Jeff Schuetz: Staff Vice President, Global Technology

CORPORATE SUSTAINABILITY COMMITTEE

Sonoco has a strong record in the area of corporate sustainability, reflecting the Company's recognition that sustainability is an important issue to our customers, shareholders, employees and other key stakeholders. In 2005, Sonoco identified the need for a more comprehensive approach for the future and formed a corporate sustainability committee with the overarching goal of ensuring Sonoco's leadership position in sustainability by continuing to integrate the concept into the Company's business strategy and culture.

Committee purpose

The purpose of the Sonoco Corporate Sustainability Committee is to provide oversight, guidance and direction on social, community and environmental issues that have potential impact on the reputation and long-term economic viability of the Company and our stakeholders. Through our actions, we contribute to the economic and social well-being of our stakeholders.

The committee reports to and is sponsored by the Sonoco chairman, president and CEO. The committee reports on Sonoco's sustainability activities, at least annually, to the Board of Directors.

Committee objectives:

- Identify and define those issues that are relevant to Sonoco's long-term sustainability and image as a good corporate citizen
- Establish meaningful corporate long-term goals and short-term sustainability objectives related to key areas of focus and provide Sonoco's executive committee with meaningful recommendations or guidance on how to meet these objectives
- Recommend and establish new Company guidelines, policies or processes to support areas of focus
- Create and communicate a business case for corporate sustainability
- Provide recommendations for the Company's philanthropic efforts in support of overall corporate sustainability objectives

For more information on Sonoco's sustainability efforts go to www.sonoco.com/sustainability
Sonoco Corporate Headquarters • 1 North Second Street • Hartsville, SC 29550-3305 • +843/383-7000
Contact: sustainability@sonoco.com