

## EXECUTIVE SUMMARY

Despite the restrictions enforced to contain the Coronavirus pandemic and the general decline of major economic indicators, most paper and board manufacturers continued to operate throughout 2020 and also ensured the supply of sanitary products and food packaging during the months that were most severely impacted by the pandemic. The paper pipeline demonstrated once again its propensity towards innovation in response to market demands, and changed or combined its production with the appropriate products for distancing, personal protection, and compliance with health rules, always with a focus on recyclability.

On the other hand, citizens also did their share during the pandemic, and continued to sort waste to help ensure the regular inflow of the raw materials required to manufacture new packaging cardboard. This allowed the recycling pipeline to continue to operate, and pre-final 2020 data points out to a significant increase of the recycling rate, now settled at 87% and exceeding the 85% target value set by the European directive for 2030 for the first time.

It should be noted that this leap forward is mainly due to a sharp decline of apparent consumption, down to just more than 4.6 million tons (-6.2%), vs. a recycled amount of packaging waste above 4 million tons for the first time (+1.5%). The start of production at two new large paper mills, particularly the one in Verzuolo (operating since early 2020), which use paper for recycling to manufacture packaging paper and board, combined with a growing demand for packaging during the pandemic, may have contributed to help capture as much paper for recycling as possible on the domestic market, as well as to use most of the available stocks. The current 87% recycling rate should probably be seen as a “transitional” value bound to decline within the next few years, once the economy gradually starts to recover and, at the same time, the value of apparent consumption resumes its growth.

However, the recycled amounts did increase during 2020 and demonstrated their ability to withstand one of the most severe crises since the beginning of this century. Comieco played a significant role in supporting this resilience, with a continuing increase of the share of municipal separate paper and board collection managed by the Consortium throughout 2020, more than 300 thousand tons up, thus confirming a countertrend that started in 2019 after years of gradual decline of the share subject to the agreements. Compared to the minimum 42.4% figure recorded in 2018, the amounts managed by Comieco in 2020 amounted to more than 71% of total municipal collection. The guarantor’s role of the Consortium is thus strengthened across the national territory, despite continuing uncertainty on the market of materials for recycling and weak prices.

This context affected the decisions of several parties under the agreements with respect to Comieco, both in 2019 and in 2020, and provided important inputs to be considered upon renewing the ANCI-CONAI Agreement. In April 2020, in objectively tough conditions due to the lockdown for the Covid-19 pandemic, ANCI, CONAI, and Comieco signed the new Technical Annex for paper and board packaging, which came into force on 01/05/2020. As at December 2020, 6,895 cities were operational parties to agreements, with a corresponding population of 57.2 million (+5.3% vs. 2019). The packaging amounts recycled by Comieco thus reached 1.44 million tons (+13.4%), derived from packaging-only collection flows (approximately 683 thousand tons) and from the packaging included in the paper and board collected from households (approximately 756 thousand tons). In addition to packaging, 985 thousand tons of other paper (similar product fractions) collected from households are managed under the agreements, almost 220 thousand tons more (+19%) than in 2018.

In the light of the new recycling modes provided for by the new Technical Annex that came into force in May 2020 and of the managed volumes, considerations for collection in 2020 exceeded 153 million EUR, 19% up from 129 million EUR in 2019.

Due to the pandemic, the Consortium’s usual communication, training, and information activities were predictably reduced. Some of the most significant in-person initiatives were cancelled, including the Recycling Month, and attempts were made to redesign activities using the digital approach that, in a context of social distancing, allowed to continue some initiatives and launch new ones. For example, the Consortium quickly developed the website [Comieco.org](http://Comieco.org) to help citizens find their way through emergency-related rules,

provisions, as well as useful information to spend time at home.

In March 2020, the project “Insieme ce la faremo” (*Together we’ll make it*) was conceived. Comieco suggested its member companies to apply a special logo to the manufactured packaging: a simple and easy-to-implement concept, capable to turn a cardboard box into a vehicle for social solidarity and public spirit through a short message.

Despite the emergency that companies had to cope with, awareness of packaging eco-design and sustainability and of the recyclability of composite packaging containing a high amount of paper remained strong. The year 2020 recorded the highest number ever of paper and board packaging options awarded in the CONAI Prevention Tender (61) and the products that obtained the brand “Recyclable with Paper – Aticelca 501” increased from 226 to 439.

The dynamism and innovation capacity of the industry is also demonstrated by the 16 new patents for paper and board packaging filed in 2020, 4% more compared to 2019. Environmental certifications are increasing (+5% ISO 14001 registrations and +4% EMAS registrations) and the upward trend of packaging manufacturers obtaining the Chain of Custody certification for the FSC and PEFC fiber sustainable management mark is further strengthened.