

# Innovation born of tradition

## The CPH Group bears testament to how tradition and progress can successfully combine to promote the path to sustainable further development.

Traditions are a vital element in any society or culture. Traditions provide stability and identity. They are never static entities, though. Traditions evolve through time, and adjust to changing circumstances and needs. In this sense, traditions can serve as an inspiration for progress and innovation, too.

The 150<sup>th</sup> anniversary of the founding of the Perlen paper factory in 2023 served as a telling reminder of both the strong tradition and the progressive alignment of the Paper Division of the CPH Group. Perlen Papier today operates one of Europe's most advanced paper manufacturing facilities. It is also the world's first paper producer to offer CO<sub>2</sub>-free publication paper, which it launched in 2020. Perlen Papier is also the only Swiss recycler of domestic waste paper today, and has made its sustainability endeavours a key differentiating element in its corporate credentials.

Continuously improving product, process and service quality is one of the key means by which the CPH Group maintains its strong competitive position, by ensuring that it provides consistently top-quality products to its target markets. Its endeavours to this end include its research and development activities and its well-established Continuous Improvement Process (CIP). By such means, the CPH Group has evolved over its more than 200 years of existence from a chemicals factory in Switzerland to a diversified international industrial concern.

With its Chemistry, Paper and Packaging divisions, the CPH Group today holds leading positions in all its sales markets, not least by diversifying its marketing approaches and business models, by focusing on markets with above-average further growth potential and by establishing and maintaining its own production facilities in Europe, Asia and North and South America. Most recent examples of the last include the new pharmaceutical film coating plants which the Packaging Division opened in China in 2016 and in Brazil in 2022, and the slitting facility which it also opened in Brazil in 2018. The Chemistry Division also opened its own plant to produce molecular sieve powders and other products in Bosnia and Herzegovina in 2017, and put an advanced new laboratory and research & development centre into operation at its US site in 2021. Despite this strong internationalization, however, the CPH Group has also reduced its carbon dioxide emissions by around 90 % over the past ten years.



Tradition and progress in paper manufacture: the Perlen paper sorting hall in 1900 (left) and today's highly automated paper production (above)

The CPH Group is strongly innovative on the product front, too, as is evidenced by its numerous product innovations in all three divisions: halogen-free blister materials and recyclable all-plastic blister packs from the Packaging Division, the enhanced absorption capacities of certain products from the Chemistry Division and, from the Paper Division, a lighter newsprint product with a greater printable area per tonne and better environmental credentials.

Traditions are bearers of knowledge and experience, too. In many manual trades, the skills and techniques are passed down through the generations. This inherited expertise can lay the firmest of foundations for new developments. And without retaining and cultivating the knowledge and skills of their experienced and (in many cases) long-serving workforces, the three divisions of the CPH Group would never have been as successful as they are today.

The challenge ahead is to strike and maintain a healthy balance between progress and tradition. Finding such a balance demands a critical reappraisal of one's own traditions, a keen awareness of new ideas and approaches and a consistent commitment to tried-and-trusted values. But if tradition and progress can be kept in such healthy and conscious balance, they can jointly serve as a powerful driver of sustainable further development and success.