

NEWS of FINCHEM & CHEMOSVIT LETTER



WorldStar Packaging Awards 2018

Packaging with a paper feel effect, which belongs to novelties in food industry, continues its winning journey – after Packaging of the year 2017 award and The President of the Jury Prize it also was awarded the highest prize at World Star Packaging Awards 2018. The CHEMOSVIT FOLIE, s. r. o., company representatives received the prize at the ceremony in Queensland, Australia.

The packaging finishing has not only visual „paper look effect“ but also a paper feel on touch. It is rough on the surface, which is hard to distinguish from real paper, and that is untypical for rotogravure technology. Thanks to the paper feel effect it appears as very luxurious and when the varnish-coated areas and areas without varnish finish are designed properly, it even evokes an emerg-

ing above the surface effect.

There are strong demands for the new product mainly from abroad.

The packaging coming from our own research, the first tests of which were conducted in 2016, has already gained its first customers in Germany, Switzerland and Netherland. It is used for example for the packaging of cheese, chocolate and bakery

products. Chemosvit Folie has been awarded the prestigious prize World Star Awards for the second time – the first time in 1995 for lidding film.



CHEMOSVIT FOLIE



85 YEARS TOGETHER

If we want to build a stable company we need to define the values and rules to follow. This assumes that each of its parts has a well-defined objective to reach as well as processes it covers. It supports not just the company's performance but also creating good relationships – as the well-known Latin saying goes: “clara pacta, boni amici”. And good relationships are very important for a good cooperation not just between people but also between the departments they work. In a modern way we could say that it is substantial for team work aimed at new and special project works fulfilment.

2019 continues the trend of the previous year. It reflects quite significant instability in the economic field, for example in the development of raw materials and semi-product prizes, as well as in political area. The companies of the Chemosvit and Finchem group like many of our trade partners are the companies with tradition supposed to fulfil their commitments in a reliable and stable way. But not just that. They have to continuously work on quality of their products and services, bring new products to the market following the customers' requirements. This aim is certainly easier to reach when the market is growing and the situation is favourable, however it is much more challenging in the unstable times.

We are convinced this challenge is also possible to cope with. We would like to build upon the 85-year-old company tradition which is, first of all, based on a stable and professional team as well as long-term trade relations with our customers and suppliers as well as our employees' representatives, the trade union. It is the common values and rules based on which those relations and mutual trust have been built. These underwent numerous tests we passed successfully together. So this is the basis which is particularly important for fulfilment the special tasks in challenging time. So we build upon the basis which was created in good times as it may be too late to build it in hard times.

Chemosvit and Finchem group of companies enjoys the collaborative shareholders attitude towards the company development and enhancement. In hard times in particular it is important to maintain and increase productivity and offer new technologies to ensure the company competitiveness. The shareholders support reflected in new investments in all production areas – in yarn, engineering and film productions. Some of them were already installed in 2018, some others are “on the way” and will be ready this year. The strategy acknowledged by the Company's Board of Directors for next three years guarantees the stability and further development. We can provide our customers with guarantee of not just productivity but also high quality and new products which will take into account, especially in packaging films production, the new trends in the environment protection.

Ing. Jaroslav Mervart, PhD.
Chairman of the Board of Directors of Chemosvit

In autumn 2018 there was an audit in CHEMOSVIT FOLIE, s. r. o., on good manufacturing practice and associated documentation of packaging materials intended to come into contact with food. The audit was carried out by auditors in accordance with the schedule of auditors of Regional Public Health Authorities of Slovak Republic.

GOOD MANUFACTURING PRACTICE AUDIT: „WITHOUT DECLARATION THERE IS NO PACKAGING...“

In accordance with Article 16 of Regulation (EC) No 1935/2004 of the European Parliament and of the Council all materials intended to come into contact with food shall be accompanied by a written declaration that they comply with the rules applicable to them, while the associated documentation must be available. The document Declaration of Conformity for plastic materials in accordance with health requirements according to Commission Regulation (EC) No. č. 10/2011 is issued by De-

partment of Business Processes and Integrated Management Systems based on extensive supporting documentation and the auditors checked it thoroughly.

Various types of audits have become a part of Chemosvit Folie company culture and also this audit focused on verifying compliance with safety requirements for our products was successful. „It has showed the processes in the organization are coordinated and that both all applicable internal binding rules as well as national authorities and international legislation“ said Alena Trabalková, Manager of Process Management and Integrated Management Systems Department. The company has implemented Good Manufacturing Practice (GMP) regime which enhances food safety within whole food business chain.

EU legislation requires the producer of the packaging (film) intended to come into contact with food to issue a Declaration on product food safety and on the other hand the manufacturer is obliged to use only a packaging (film) on which there is a relevant declaration. This document connects the food product producer and packaging (film) producer in relationship defined in the headline: „Without declaration there is no packaging!“



„Eco-friendly“ packaging

Rotogravure film finishing has a more than 50-year tradition in CHEMOSVIT group and that is not just a guarantee of extensive experience gained but also certain responsibility.

Hot novelty gains customers

By investment into a new offset printing machine CHEMOSVIT FOLIE not just completed its engineering-technological fleet which brought a new printing method of the packaging materials but also extended its product range. The machine equipped with the system of electronically-treated inks which is able to print paper material which is in accordance with the current world ecological trends.



In Chemosvit Folie the hot novelty has been tested – a film with matt-glossy effect. „It is a film which we developed together with Flintgroup, our inks supplier“ said Eva Sámelová, the Marketing Manager. The trade name of the packaging is Tatrafan KXP/ L32L4/S.

The varnishes we used to treat our films up to now had just a visual effect whilst now the matt effect of the film can be felt on touch as well. Last year we were awarded the World Star prize for the matt varnish for sealed films with paper feel which we also developed to-



gether with Flint company. This time our requirement

was the possibility to use the matt varnish with paper effect also for cold seal.

The packaging was tested by our business partner I.D.C. Holding in Trnava in the beginning of October. We wrapped also the popular bananas in chocolate. „The final effect depends very much on the graphics used“ said the manager. The packaging has a very nice look, luxury appearance and is suitable for packaging of confectionery as well as more exclusive chocolate and bakery products. ■

The offset machine has already been used to test glue-free paper printing for tea packaging, which is closed just by applying pressure on paper, intended for a Slovak customer. „We have printed plastic-coated paper with closable layer made of extrusion laminated polyethylene“ said Eva Sámelová, the Marketing Manager. „These were plain pouches in which we packed Christmas presents for our customers. The pouches were very successful“. The tests will continue.

In cooperation with world known paper producer Feldmuehle company we are conducting the tests on paper printing with monostructure which allows the packaging to be recycled after use together with paper-not mixed-waste. Sealable layer is varnish coated.

Paper is an environment-friendly material. Paper from Feldmuehle company is high quality with white, glossy or matt pigmented coating and is suitable for packaging at the same automated machines as those intended for plastic-coated paper. „We know the composite materials are going to be eliminated gradually from the food market and that is why we are starting this ecological production,“ concluded the Marketing Manager. ■

The company under the High Tatras invests in new technologies

● **What achievements accomplished in your company in the last two years do you value the most and why? This is the question we asked Jaroslav Mervart, the Director of CHEMOSVIT FOLIE, s. r. o.**

The situation on the European market with flexible films is effected by globalization with strong competition. In recent years we have noticed increasing pressure on prices but at the same time also on quality and range of services. So that is where our activities and our project teams have been directed.

The increasing pressure on prices led us to reassess costs while keeping or even increasing company production. It was necessary to reach the ambitious goal, of course, without any effect on customers reliability and the company's perspective. I am very glad that in cooperation with our mother company but also and mainly with heads of individual departments we met with understanding for a new situation on the market and set out common objectives but also a way how to realize them in a sustainable way. That resulted in a significant reduction in personnel costs while nominal wage grew and, as it has been mentioned above, overall performance increased as well. This allowed us to cope with demanding challenges we faced in the year 2018.

● **The last year was also the year when new investments started up...**

It is an important prerequisite for the company perspective. Here we can include launching of a new offset machine which uses more new technologies. To mention some of them – it is mainly system for printing from 7 permanent inks (heptachrom) plus white one, solvent-free printing, EB (Electron-Beam) – treated inks and automated printing rollers replacement. These technologies will apparently continue to determine directions in printing industry which will be standardization and automation of printing.

Another investment which is already used actively is new flexoprinting machine from WH Miraflex company which has completed flexoprinting department equipment. It presents an enhancement not just in terms of production capacity but also printing productivity and quality which has become a necessity on the overcrowded and demanding flexoprinting market.

The third and very massive investment project was construction of a new slitting hall accompanied with purchasing of four slitting machines from Kampf company. The investment enabled to improve the whole department performance significantly as well as introduce the work shift organization, optimize the production logistics and storage capacities.

● **These were the most important projects...**

There were, of course, more projects in 2018 related to maintenance, energetic savings, automation, sale or work organization. I am sure that this concentrated effort helped create a good starting situation for the year 2019. I would like to thank all not just our employees but



also all external companies and partners who took part in realization of these activities as well for the well-done work.

● **What are you preparing for your customers?**

New Year traditionally comes with new challenges. We would like to keep and improve the level of the customer service while reducing costs and increasing production capacity. This is important not just from the viewpoint of the customers loyalty

but also because of necessity to be aware of trends and situation on the market in general.

We are automatically and with respect getting ready for the new legislation regarding packaging on the European market, supported and accelerated especially by key customers and chain stores. Today we already know the deadlines and intentions and we are ready to meet their demanding requirements also in this field. Thanks to cooperation with universities and research institutes we are convinced we are able to meet the requirements but also bring our new cost-effective and quality-related satisfactory solutions and at the same time to guarantee not just a good protection of a packaged product but also its compliance with requirements regarding ecology, environment protection and recyclability.

● **You are apparently going to continue in investment activities as well...**

The most important investment activity in 2019 will be undoubtedly a new 11-colour rotogravure printing machine ready to meet also the most demanding requirements of our cus-

tomers. Whether we are talking about number of colours, various varnish types, two-sided printing, productivity or fast job exchange. From this viewpoint the rotogravure printing proves to be a stable, high quality and productive technology which is always demanded by the global multinational corporations as well as by European and regional leaders.

A new bag-making machine for hygienic pouches will bring higher production capacity but also new opportunities. Here is very important link between polyethylene films production, new facilities in flexoprinting department as well as above mentioned new opportunities of bag and pouches production department.

In terms of productivity and costs we would like to continue in already existing projects also in year 2019. What we would like to support to a greater extent this year are projects with our suppliers to optimize production technology and look for new cost-effective and higher quality substitutions. Together with our customers we are preparing similar types of projects focused mainly on introducing packaging with quality-related new properties on the market. ■

WE WILL BE AT INTERPACK 2020 AS WELL



The largest and the most significant world trade fair for packaging technology, Interpack in Düsseldorf, will open its doors to the exhibitors and visitors again from 7 - 13th May 2020. There the processing and packaging companies from all over the world present themselves. The popular trade fair shows trends where the packaging industry is going in the future. And our company will be the part of it. CHEMOSVIT FOLIE, s. r. o. company as

well as in 2017 will present novelties in packaging segment such as offset paper printing, printed and non-printed PLA pouches, new types of hygiene bags, matt-glossy effect on packaging with cold seal and some other novelties which are being developed in the company. The trade fair is also a kind of reflection for us to see where our competition has shifted since the last exhibition, what our customers' requirements will be like and what we shall offer to them in future.



The company which has employed whole generations of people in the region under the High Tatras

Eighty-five years of existence of the company can be compared to a human's life. The human also grows from the first child's toddling steps through gaining knowledge and experience until the period of mature adulthood. But there the parallel ends – while the man leaves for a well-deserved retirement, well-managed company has still many years to grow and progress. This is what we discussed with Michal Lach, Chairman of the Board of Directors of Finchem, a. s., the highest state award winner and especially a man who has been living in close relationship with Chemosvit for almost fifty years.



● In 2019 Chemosvit commemorates 85 years from its founding. It is a distant history but not that distant for us so we still can remember people's talks about what it used to be like at that time...

When Baťa founded viscose yarn and cellophane production on greenfield sites, at that time the only one in Europe, it was an enormous contribution to people from the region as he offered them a job here under the High Tatras, he also brought modern management methods at that time, new way of life, culture and education – via Baťa School of Work. The undergraduates still meet every year in Svit..

You have always been saying that there is a base we can build on – hard and quality work of people who identify with the company for which they actually worked all their productive life...

That was the same regarding their families. Whole generations worked here – fathers, sons, children as well as their grandchildren. These were the people whose destiny was linked with the company they spent all their lives with. There was a strong sense of belonging to a community and traces of tradition prevailing based on which the company grew. The trend persisted during whole development of Chemosvit. Even today we draw on good foundation laid down by our predecessors although the company is completely different today – it is a modern European company which builds on investments into new modern equipment, good relationships with its customers, communication and new trends. Baťa's motto "Our customers - our masters" is still live here – nowadays with modification – "our partner".

What period in the company history was in your opinion the most progressive?

A rapid development has been present here from beginning – completely new film, yarn productions started, power plant and engineering production were founded in the region under the High Tatras. All these businesses were developing and making progress quickly in quite a short period of time before World War II.

In the 1960s we started to develop printing methods through the first rotogravure techniques and pre-press development and another period of rapid growth was in 70s and 80s when synthetic films and fibres started to gain ground. We were able to push forward modern productions of polypropylene fibres, biaxially oriented

polypropylene films and later on capacitor films production for electrical engineering industry as well, also thanks to almost personal relationships. In times of socialist bureaucratic system of management and investment we were the pioneers as we were purchasing machinery through foreign currency payable loans and countertrades. After BOPP films production was put into operation in 1978 and the production of POP rayon in 1980 the production structure changed significantly.

However the period was literally turbulent not just for packaging and fibre productions – our engineers were producing and reviving packaging and spinning machines for plants in whole Czechoslovakia and former GDR.

It was really a hectic era, when people were building this, from the very beginning, a progressive company with enthusiasm.

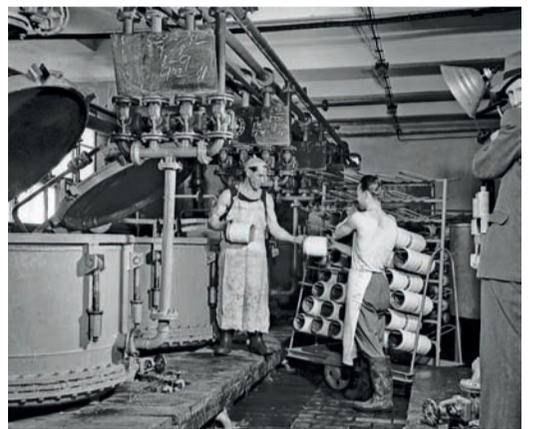
And after the company transformation and restructuring in 1994 a completely new chapter started to be written...

Let us not forget, however, one important thing – our environment...

Starting the cellophane production in the region under the High Tatras was not, from the standpoint of environment, very good decision. With increasing production the air emissions of hydrosulphide and carbon disulphide were reaching unacceptably high values and waste water, even despite the location and modernizing of the water treatment plant, exceeded an acceptable level of water pollution in Poprad river. That is why we decided to make a radical change which was discontinuing cellophane production, exactly 60 years after it started, and its substitution by an environment-friendly production. Several measures with a favourable impact on air were taken – especially energy production modernizing, dedusting installations, solvent air emissions treatment equipment and other investments. Environment protection has been a priority of Chemosvit in its modern history.

You have mentioned a new stage in the company development after its transformation into a joint-stock company in 1995...

After the change of the country's social structure in 1989 also the business conditions changed radically as well. At the same time a rapid development of information technologies started, without which we might not even think of any production or management nowadays. It was an interesting and hectic era. Opening up of markets brought a fight for customers in a harsh



competition of world producers. It was also a period of big investments into engineering and technological as well as information technology equipment, into language and professional training of our employees, into management system certification as well as into a challenging restructuring of the whole company from which a group of companies Chemosvit and Finchem was formed gradually.

In 1999 we adopted a vision "To build a company on the European level" from which that all our activities were derived. Investment costs for a program of production modernizing, increasing production quality and enhancement of environment reached 2.5 billion Sk at that time and more than 70 per cent of production was exported. It was to the credit of a good team in the company management as well as our employees.

Good results are evidenced by a number of awards which the companies of Chemosvit a Finchem group have received in the last quarter of the century...

There have been a lot of them. To mention the most prestigious ones there were two world prizes we were awarded gradually - WorldStar Award by World Packing Organization for our packaging – the latest one was awarded last year, Socially responsible company, Via Bona Slovakia, Healthy company and many others, not just for us but also for our employees. And for sure another prove of acknowledgment is also a series of visits in person of such guests as all Slovak presidents, prime ministers and government members, ambassadors from various countries and other numerous precious visits since 1993, when the Slovak Republic came into its existence, such as Ukrainian prime minister, Mr. Marčuk, Russian prime minister, Mr. Viktor Černomyrdin, European Union commissioner Georgios Zavros and other prominent guests.

What do you consider the most important for the further company development in the current period of globalization and changes?

There is no simple answer to the question. First of all, there are the people – educated, enterprising, loyal and linked with the company, the people willing to participate on the company development, creative and hardworking employees. We have been cooperating intensively with schools, from elementary ones to universities, from which young well oriented professionals with language and computer skills come to our company. It is also a continual modernizing of our engineering and technological equipment where we invest millions of Euros into our films and fibres productions as well as machinery production and transport.

What we consider very important is the long-term relationships with our suppliers, customers as well as banks and authorities which we develop and which are the basis for our prosperity.

And last but not least it is our social responsibility with which we have been approaching the problems and life in Svit and the region where we run the business and where we try to contribute towards development for a long period of time. Our foundation Chemosvit, which has been helping the people in the region for fifteen years, is a small example. ■

85 YEARS TOGETHER



1934

Founding of the company by Baťa

1934

Production of viscose rayon

1935

Cellophane production

1938

Packaging printing Machinery and metallurgical production

1951

Splitting of the company and founding of Chemosvit

1951

Production of synthetic yarn

1954

Plastic-based packaging production

1959

Print and ink preparation centre

1965

Production of PE films

1966

Rotogravure printing

1973

Production of PP yarn

1967

Automated packaging machines production

1978

Production of Biaxially oriented polypropylene (BOPP) films

1989

Production of BOPP capacitor films

1992

Production of cast films

1994

Privatisation of the company and the restructuring of the group

1996

Production of plastic products from recycled materials

1997

Management system Certification

2011

Combined power production

2011

Intensification of printing

2013

Intenzifikácia elektrofólií

2017

Offset printing machine

2019

11-colour unit rotogravure printing machine

2020





CHEMOSVIT FOLIE – THE SOCIALLY RESPONSIBLE COMPANY

The assessment was made by SIMS, a. s. company of which organizational department is the National information centre of the Slovak Republic. It has 26-year experience in the field of data processing and providing services for a financial sector, businesses and state administration organizations. SIMS, a. s. company process and integrates data from

In 2018 CHEMOSVIT FOLIE, s. r. o., company was awarded the „Socially Responsible Company“ seal. It became one of the 3,2 % of companies in Slovakia which fulfil their commitments responsibly, which mind their company ethical profile and via company’s philanthropy become a significant pillar of the country’s economic growth.



public and non-public resources as well as from their own intelligence activity.

The field of social responsibility is not about duties but about voluntariness and

obligation of a company management to support and enhance economic growth as well as adequate environmental and social responsibility. This includes transparent and fair approach to the customers, suppliers, human resources care and development as well as environment and the natural resources protection. The organizations

which take care of the social responsibility are more likely to be more competitive and perceived more positively by their own employees, customers, partners as well as the citizens of the town or region where they run the business.

The social responsibility is not just about what companies have to do but also about what they can do. ■

The result of the on-site research – prestigious award “Packaging of the year 2018”

On the 2 October 2018 in the conference premises of Institute of Molecular Genetics of ASCR in Prague there was Central Europe Packaging Congress held part of which was also a conference SYBA Pack Summit and a gala dinner and the “Packaging of the year” award-giving ceremony.

CHEMOSVIT FOLIE, s. r. o., received the award Packaging of the year 2018 for the PASTA BASTA instant soup packaging, in the Processes and technologies category. It is the first product from the on-site research which is printed by our new technology – offset technology with a central impression cylinder. This technology allows reaching perfect register of thin films. “Our new offset printing machine is tuned beyond guaranteed parameters laid down by the machine manufacturer which define the bottom film width of 20 microns” said the marketing manager.

The awarded laminate is 15-micron OPP and white LDPE film. The inks used are deposited in machine stable positions and are hardened by electron beam (E-beam) which brings advantage not only as regards short-

ening of preparatory work, but also reducing environmental impacts. E-beam technology does not rely on solvents, photo-initiators and does not need heat for drying of inks. Unlike rotogravure printing cylinders, metal plates can be produced in several minutes, and are 100% recyclable

Excellent printing quality, fast job exchange, and a possibility to print several different pictures next to each other, stand for the perfect solution for local brands, or promotional events.

The packaging of the year is the only competition on the Slovak and Czech market in which the nominated exhibits are assessed by a professional jury. The goal is to highlight and promote the best ideas, innovations and technologies in the packaging area. ■



The new 11-colour unit rotogravure machine will enhance package printing

To develop and produce a good-looking and good packaging is certainly a challenge also for such an experienced producer as CHEMOSVIT FOLIE, s. r. o., company is. Moreover, the customers’ demands are increasing hand in hand with new trends and development in the town.

To be responsible mainly towards the customers means the printing technology development must not

stagnate, but quite the contrary, we are always able to offer higher quality and a bigger added value.

In times when whole the world moves in a higher tempo and the very same apparently applies twice to markets, flexibility is one of the most significant factor. This involves a wide portfolio of products, ranges of products with various parameters which Chemosvit Folie, s. r. o., can offer to their customers normally “under one roof”. Speaking

about flexibility in rotogravure printing it is also necessary to mention the length of the production cycle from placing an order to final outcome as well as ability to respond flexibly to production plan changes, building backup capacities to such extend so that a potential malfunction cannot effect already agreed supplies in negative way. In order to improve the flexibility and



increase overall rotogravure printing department performance with the reference to a current portfolio offer the company management decided to invest significantly into technological equipment and purchase a state-of-the-art 11-colour unit rotogravure printing machine of a renowned brand which is going to be installed in summer 2019.

It is the machine of the state-of-the-art construction with numerous assisting systems which shall help keep production as quality and effective as possible. It is going to replace the oldest current 8-colour unit printing machine in the company which technically has not been able to follow more and more demanding requirements of the market yet and just a limited range of products portfolio was possible to be produced.

The new 11-colour unit rotogravure machine will also be ready for new challenges we may face in the coming years bearing into consideration growing interest in more ecological packaging materials solutions. They will, together with the 11-colour unit rotogravure machine, pose basic pillars for the printing department performance and ability to reduce costs for whole scale of current and future products efficiently. ■



LIFECYCLE OF THE CAPACITOR FILMS FROM TERICHEM TERVAKOSKI COMPANY ALREADY EXCEEDS 40 YEARS

The main areas of application, in which Tervakoski films are used are as follows:

- High-voltage direct current transmission systems, power and smart energy grids
- Locomotives
- Industry and infrastructure
- Automotive industry

aluminium electrodes was used as insulator in DC and AC high-voltage capacitors before. Nowadays, when a big emphasis is placed on environment protection and preserving renewable resources, a dry



TERICHEM
Tervakoski, a.s.

metallised film seems to be a solution for capacitors. Tervakoski Films Group has been the biggest producer of hazy films for standard direct current and alternate current high-voltage power grids (HVAC a HVDC) for almost 30 years. We are proud to say we have reached a comparable world position also with our metallised films in high-tech capacitor applications. We use our base film for metallisation. Reliability and quality in whole the supplier chain play the main role in production processes – expected lifetime of the top capacitors is more than 40 years today! Our capacitor films will play a significant role also in direct current distribution network (HVDC - 4500

CO2 emissions. To ensure stable and reliable high-voltage grids and power transmission the smart grids, i.e. high quantities of quality capacitor films, will be needed. From the users perspective it is expected that there will be an increase of market demand from the manufacturers of cars, buses, trucks etc. who will be focusing on:

- Electric engines in cars,
- Necessary charging stations infrastructure, including stable and reliable smart power grids. The above-mentioned trends will have an impact on our business as well which will require another investments into increasing capacities in future. ■

● “Which of the objectives you have reached do you consider the biggest recent success of the company?”- that was the question we asked Ilkka Penttillä, the Director of the Slovak-Finnish company TERICHEM TERVAKOSKI, a. s.

As for top capacitor films applications we are experiencing high growth of worldwide demand caused by investments into the power production from renewable resources such as wind power, solar power and on and off-shore produced power. As for capacitor films structure the design has been changed – an impregnated polypropylene hazy film between

metallised film seems to be a solution for capacitors.

aluminium electrodes was used as insulator in DC and AC high-voltage capacitors before. Nowadays, when a big emphasis is placed on environment protection and preserving renewable resources, a dry

MW) through which the power will be supplied during winter Olympic games in Beijing in 2022.

What are the objectives and plans regarding the company development in the following years?

The strong driving force in our business is a global commitment of United Nations on Climate Change adopted at conference in Paris on 12 May 2015 on global warming reduction. It means long-term investments into renewable power resources on all continents focused on reaching the goals to reduce

Engineers with high added value

STROJCHEM, s. r. o., company in Svit belongs to traditional producers within the Chemosvit group with a long history and significant success. In the present the portfolio of the company covers highly professional parts machining, packaging machines production as well as providing engineering and electrical service. We talked to the company director, Marián Kuruc, about the current situation in Strojchem.

● Could you evaluate the recent period in Strojchem?

It was a hard and complex year, however we managed to increase the turnaround in 2018 with our TOP customers by more than 10% and improve quality indicators significantly which are the biggest successes of Strojchem company in 2018.

Another success is for sure keeping the portfolio of customers who require production of engineering parts from castings even after the foundry division was closed in 2017 as we managed successfully to purchase castings from the Czech Republic.

In the Machining and Assembly Division we managed to implement three new machines to renew machinery equipment which helped us to ensure the higher degree of technological certainty in production in compliance with required quality and terms.

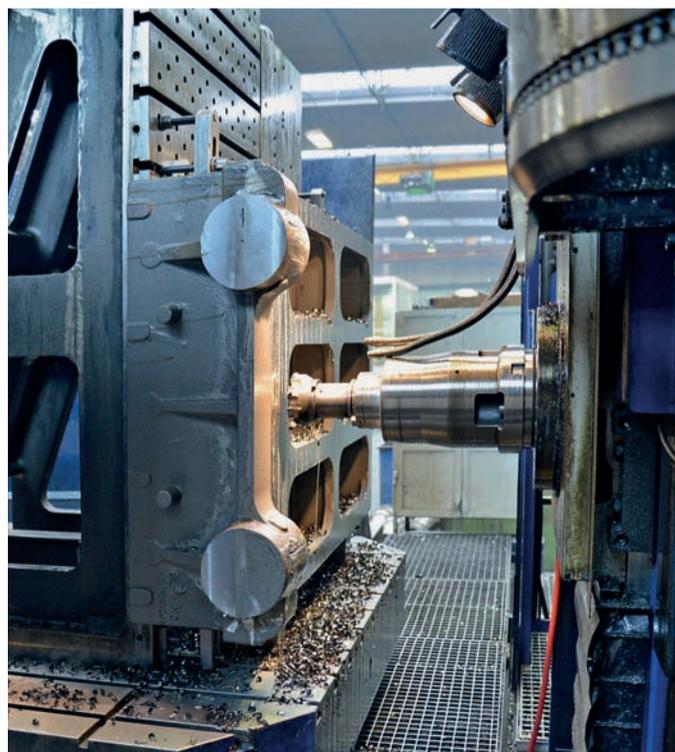
● What are you preparing for your customers?

Currently, regarding the customers' specific requirements we are planning to complete machinery fleet in the Machining and Assembly division with a new working centre which will allow us to produce big parts with higher added value.

Our goal is to integrate on the market as as-

sembly parts supplier from heavy engineering with high added value. Synergic effect of machining and assembly production in combination with heavy technologies proved to be a good solution.

This year we would like to invest into the Machining and Assembly division building where it is necessary to improve the process of final products varnish coating and drying by extending its premises for varnish-coating and by preparing the new cabin for varnish coating. ■



NEW MACHINES WILL INCREASE QUALITY

To increase products quality, improve delivery times and work productivity three working machines were purchased in STROJCHEM, s. r. o., company: S80-4000 – it is a lathe featuring a robust construction and very rigid bed which allows the lathe to be used for the most demanding lathe works in the production of single products or in small series production from the Slovak company, then there is CNC controlled four-axis centre with a couple of technological pallets and toolkit Tajmac H800 from the Czech manufacturer and CNC horizontal working machine WH10CNC with automatic tool replacement from the Czech company. The machine is suitable for a wide scale of cubic parts. The machines were chosen taking into consideration the needs coming from the jobs and demands from our customers. ■

ENVIRONMENT-FRIENDLY PRODUCTION AND HEALTHY FIBER APPLICATION

What was the last year in CHEMOSVIT FIBROCHEM, s. r. o., company in Svit like? – we asked the company director, Alena Balogová, not just about that.

The last years were quite hard times for us because of the lack of work force at the production departments as well as a complete company reorganization at technical and administration departments due to numerous generation exchanges. We were making a big effort to ensure a stable production and management at all departments. I am sure we have managed to do it properly with a long-term forward-looking perspective.

In the context of looking for new employees Chemosvit Fibrochem company joined the Dual system of education/training program successfully and underwent all the certification processes.

We expect a full start-up of the educational process in our company in cooperation with Secondary polytechnical vocational school of J. A. Baťa in Svit as early as next school year.

One of the biggest success in 2018 was a complete production start-up in our Ukrainian subsidiary Fibrochem Ukraine with a step-wise staff training and moving the older engineering machinery to Luck.

■ **No production can work without modernisa-**



tion and investments into new equipment...

In 2018 we purchased a new friction texturing machine designed specifically for polypropylene yarns with automated core replacement and plying. After a full performance start up and technological parameters setup we are planning to purchase another machine of the same type in 2019. In basic production we commissioned automatic pneumatic polymer supply which improved mainly monitoring and dosing into individual machines as well as weighing and labelling using EAN codes at all production nodes.

During the year 2018, thanks to crisis management, we tried more raw materials to ensure safer supply using diversity of suppliers as well as to improve production process and reducing raw material prices. In 2019 we are planning more tests for full

granulate implementation into the production process for technical segments.

■ **Have you invested into the yarn processing as well?**

Beside the new machinery in the yarn production we also managed to renew the machinery fleet in the knitted goods production by purchasing new sewing machines with automated twisting as well as two new knitting machines of Lonati type with fully automated twisting and sewing. The new machines will bring more effective production, easier operation, production capacity increase as well as enrichment of the portfolio with new range of products. We are planning to purchase new seamless knitting machines for thermal clothes. As for knitted goods we fully commis-

PROLEN® YARN

sioned the production and sale of our new brand marks Karpathia and Johny Tatrosch not just in socks but also in seamless segment.

■ **You try to bring a new yarn on the market every year. How successful are you?**

With the aim of better risk diversification, expanding on the market and growth of sales Fibrochem company has joined more projects supported by euro funds as well as direct cooperation with other European partners.

We continue in our project Bio4Self for the production of high tenacity biodegradable PLA yarns supported by EU under the program Horizont 2020, in

development of PVDF yarns Kinex® in cooperation with Arkema company, in development of the yarns invisible in infra-red spectrum in cooperation with SAAB Baracuda company as well as in development of composite fibres Prolen® Composite for automotive, aviation and gas industries. The success in 2018 in cooperation with the Institute of Parasitology of the Slovak Academy of Sciences was the Golden Sickle award which we received at the trade fair Agrokomplex in Nitra for the development of the nature-based yarn with the tick-free finishing which should be presented for the commercial sector at the beginning of 2019.

Last year we managed to



Golden Sickle Award for a tick free yarn from Svit

Every year from spring a threat from bothering ticks appears repeatedly. Some of them are very dangerous to humans and especially to domestic animals and pets – it is a castor bean tick known as a bloodsucking parasite which attacks dogs. All the population groups are endangered. Thanks to a global warming and changes in country treatment the tick spread to middle and higher mountain locations so it can be found even in the areas where it did not use to be 20-30 years ago.

Certainly, the best solution to fight tick bite is prevention. It consists of tick-borne encephalitis vaccination and applying protective repellents which must be applied to the skin prior to going outdoor. And there is already a new tick-free yarn!

It is being developed in Chemosvit Fibrochem company in cooperation with Institute of Parasitology of the Slovak Academy of Sciences in Košice. The solution to modify polypropylene yarns by synthetic and natural repellents was developed in the company resulting

in the final product realization.

Currently the tests with volunteers are being carried out – they expose the special polypropylene yarn socks to stress tests – they will be exposed to sweat, sun and wind, they will wash them to verify the time length during which the socks and other applications maintain their tick-free effect. Then the yarn will undergo the certification process in the National Institute of Public Health in Prague.

The polypropylene tick-free yarn contains natural substances in its



mass which shall repel ticks. The tiny parasite gets the feeling it has found itself on a hostile host. It is a greener solution than using synthetic pesticides such as sprays or various creams. Moreover, the Prolen® keeps all its "bonuses" which all sportsmen require to feel comfortable while doing any sport activities.

Beside the tick-free socks the yarn is planned to be contained in other

products such as shoe laces, belts, scarves, T-shirts, leggings and trousers. Just some parts of clothing such as cuffs or some other parts will be made of the tick-free yarn. Its application may be found also in harness for dogs and cats but it is also possible to use it to make the harness for horses, cows, sheep and goats. It will prevent tick-borne encephalitis virus infection of the animals and subsequent virus infection of the milk. The products are continuously tested by our project partners at University of P.J. Šafárik in Košice and at University of Veterinary Medicine and Pharmacy in Košice.

The tick-free yarn was awarded the medal Golden Sickle in the Research and Innovations category at 45th international agricultural and food exhibition Agrokomplex Nitra in 2018. ■

develop monofilaments suitable for 3D printers. In our company we currently use 3D printing for our own spare parts production but the main effort is to conquer the market as a new player in the production of the various types of filaments for 3D sector.

■ What are your intentions and plans for company development in terms of customers?

In our industry the market is very sensitive to prize when taking into account some substitutes from other continents, fast-changing trends and fashion excesses as well as consumption behaviour in all the age groups of our customers. Our goal is to satisfy our customers as much as possible and as effectively as possible, to adopt to changes on the market by offering new range of products with enhanced properties and new colour variations while maintaining high quality, flexibility and in-time delivery.

■ So speaking in more details...

To follow this goal the above-mentioned activities support the development such as purchase of a new top-ranking texturing machines, transferring part of the production to Ukraine, investments into semi-automated and automated production and material flow management. We are planning to purchase a new line for masterbatch production in 2019. During last months of 2018 we were negotiating with automated spinning lines producers, laboratory texturing line as well as professional firms focusing on implementing automated steps into more production and packaging nodes. This is the direction we would like to follow also in the year 2019.

■ Your polypropylene yarn is far known beyond the Slovakian borders...

Beside standard European and Russian markets we focused on the American market last year, where we expect increase in sale in 2019. There were partnerships to ensure logistics and operating services agreed on in Greensborro, NC and Providence, RI. The similar partnerships for better flexibility while maintaining sale and prices control started in Portugal and Italy with possibil-



ity of cooperation in France, Finland and Turkey.

Development projects on which we have been working for a few years will be offered for a commercial use in 2019. We would also like to pay attention to developing markets in the Central Asia and start-up a cooperation mainly with the firms in Uzbekistan. We are coming back again to the markets in Latin America as one of the biggest socks and underwear producer via the cooperation with multinational companies active on the American continent. Soon we are expecting the first



larger orders for composite yarns for American and German market as three-year test phases are after prototype phase just before the implementation phase.

Implementation of more projects on which sales and marketing teams were cooperating is waiting for us so we expect increase in sale and some new customers and applications in our sale portfolio.

■ The participation at trade fairs, where you really have a lot to offer, has also become a tradition...

We are trying to approach

our customers by active and direct communication on all territories. It corresponds with the active trade relationship management by our team as well as direct participation at exhibitions in textile industry.

In 2019 we are going to present our products at the exhibitions ISPO Germany, Techtexile Germany, ITMA Spain and Outdoor Retailer USA. Taking an active part at the exhibitions we are coming closer to our customers, we are able to present our yarns, knitted products and new goods more effectively and to reach new potential clients much more efficiently than just by simply providing prospects. Every exhibition is a new challenge for us but all the exhibitions we took part at in 2018 brought success and were very beneficial for the next periods of business development activities.

■ It is not just about the polypropylene yarn which features excellent properties and merits but your company goes even further – towards ecological production...

In the upcoming two years as one of a very few European manufacturer we expect a gradual implementation of the new Directive of European Commission on prohibition on use of other 33 chemicals in textile and shoe products which are famous for their carcinogenic effects and which cause reproduction problems, so-called CMR (Carcinogenic, Mutagenic or toxic for Reproduction). The Directive should bring some limitations and checks of the imported textile and yarns from the uncontrolled territories outside of EU and hence protect the people's health which should lead to a competitive advantage for our company.

Our company has been pointing to ecological production and healthy usage of our Prolen® yarn mainly when coming into contact with skin but we can see that there has been a growing demand for the yarn due to health and allergy issues. It is important that all of us realize that even plain jeans, to produce which it takes 10 000l of water, by the way, may cause serious health problems so we should rely on certified, checked and regulated products of European manufacturers such as our Prolen® yarn.



Powers are the core of all production

Power production is a backbone of the manufacturing processes in the industry but we need it in a municipal sector as well. Power production in Svit started as early as the first production which was starting up under High Tatras in 1934. And it still has an absolutely essential role today. For 24 hours a day it ensures a continuous heat and power supply, drinking and technological water supply to all premises in the area of Chemosvit and Finchem companies group and moreover it supplies a municipal and residential part in Svit where the company is situated.

Chemosvit Energochem, a. s., is an essential part of production. From its founding it has undergone many significant changes when it was necessary to solve ecological impacts. Acrid smoke can be remembered just by golden agers. "In the field of environmental protection, the company has reduced CO₂ loading 7-times, and significantly cut down nitrogen oxides released into the air, by having launched the most state-of-the-art technologies in recent years. Since 2005, our production has been totally free of sulphur oxides, solid particles and water pollutants.

The new heating plant stands for a progressive technology with efficiency rate of min. 10% primary energy savings (fuel energy) compared to a separate electricity and heat production in separate condensation-type power plants.

The main credo of the company is to produce and supply all kinds of power economically. Taking into account the gradual depletion of natural resources and growing prices, the world started the way of Best Available Technologies (BAT), which is also among the strategic intentions of power production in Svit.

Power production company in Svit, which is the holder of the



„Best Enterprise“ award in the field of power production and power supply, uses so-called tri-generation – i.e. the heat produc-



tion which is also accompanied by chill production in form of so-called chill water for technological purposes and air-conditioning of manufacturing premises. It is being supplied by a central supply line of almost 6 km length directly to the off-take place through 14 compact offtake sta-

tions. The installed capacity of 7.5 MW of central absorption chill source ranks the company among the biggest chill producers in Europe.

Chemosvit Energochem company implements a long-term plan of refurbishment and modernization of a electric-power distribution system, heat supply pipeline, technological and drinking water, sewage and drainage system, neutralization waste water treatment plant as well as measures to increase power effectiveness while reducing environmental loading is taken into account all the time. ■

CHEMOSVIT CHEDOS ON THE ROADS OF EUROPE

CHEMOSVIT CHEDOS, s. r. o., company invests into production facilities in individual areas of the company business each year.

„Of course, we invest into our employees in the form of trainings and skills enhancement which they can reach and get while working in our company“ says the Director of the company, Michal Dida. „What we appreciate the most are the employees without whom we would not be able to meet our objectives“. Our main goal is to provide our customers with quality transport and haulage services as well as enhance and develop the company's assets by running a fair business“.

Like in every company the customers, the ones who use our services, are the most important in Chemosvit Chedos company too. The aim is to supply the customer the best service possible for a required price. „In the future our goal will be to



continue establishing long-term trade relationships with regard to mutually beneficial relationships“ said the director. „I believe the wide portfolio of our services will help us to achieve this“. ■



INTERESTING NEWS

NEW REWINDING MACHINE

In slitting department a new rewinding machine from Kampf company has been put into operation. The main objective was especially to make the production more effective, reduce waste and internal non-quality, to adopt to new customers requirements as well as to get rid of faulty production from the previous production nodes. The rewinder is equipped with a 100% inspection system which was supplied and installed by Futec company. The new machine significantly helps remove the potentially faulty production from previous production nodes.

DUAL SYSTEM OF EDUCATION

In the context of looking for new employees Chemosvit Fibrochem company joined the Dual system of education/training program successfully and underwent all the certification processes. In September 2019 we expect a full start-up of the educational process in our company in cooperation with Secondary polytechnical vocational school of J. A. Baťa in Svit.

NEW GRINDING MACHINE

In Chemosvit Folie in Pre-press department for rotogravure printing a new machine has been put into operation which is expected to grind of the copper layer on rotogravure printing cylinders before engraving.

GREEN CERTIFICATE

Tatrafan company was awarded the Green Certificate prize for ensuring environment-friendly recycling of electric waste and portable batteries and accumulators by SEWA.

ENERGOCHEM CUP 2018

The area of the Lopušná dolina hotel became unusually a bustling place in September 2018. For the first time a traditional event Energochem Cup 2018 was held there which was accompanied with a professional program – workshop of the AVTES association of experts – the heat producers, electric power producers and supporting services suppliers from all over Slovakia where about 90 guests arrived. The event also had a humanitarian dimension as 385 EUR was collected from the participants for Chemosvit Foundation during two days.

THE BAŤA UNDERGRADUATES MEET FOR THE 25 TIME

In autumn 2018 there was the 25th anniversary meeting held in Svit for members of the Club of undergraduates from Baťa School of Work. The gathering featured a festive character as these days we commemorate the 120th anniversary of birth of Ján Antonín Baťa, the founder of our town and factory as well as the 80th anniversary of the Baťa School of Work founding. The founder's grandson Johny Nash with his wife took part there. ■

Premises suitable for corporate negotiations and families

Hotel Spolcentrum

Nowadays the hotel is a three-star and a sought-after and popular place. It is located in the centre of the region under the High Tatras, in the town of Svit which is a good starting point to set off to the centre of the High Tatras. A constantly developing local infrastructure gives the hotel potential as well.

The hotel offers suitable premises for conferences. Beside small saloons and training facilities it also has a cinema-restaurant featuring a video-projection and a small stage. The premises for presentation events for two hundred participants with a required service are available throughout the year.

The hotel successfully holds and arranges large conferences featuring video-projections, large-size extendable projection screens and providing simultaneous interpreting. International symposiums such as International conference of nanotechnologies, national, all-Slovakia meeting of power engineers and the industry association and many others are held here on regular basis.

Social activities may be enjoyed in a large dancing hall and café with bar with capacity for up to 200

Hotel Spolcentrum owned by Rekreatour, s. r. o., features very interesting strategic location and is closely linked to the town history as its original design was created by Baťa's reputable architects. In 2000 it underwent a major refurbishment and modernization.



guests. The hall features a high quality sound distribution, lighting and projectors. The hotel offers forty spacious apartments with modern equipment and wi-fi connection. Families with kids as well as business travellers may enjoy a pleasant stay here.

Sport and relaxation services in the modern well-equipped centre offer a tennis hall, fitness, solarium, bowling, sauna, wellness and a lobby bar.

As a bonus the hotel guests are offered various trips to the attractive surrounding of the High Tatras, there is also an op-

tion to enjoy summer sports such as cycling using quality cycling paths which interconnect nearby towns as well as tourism and an aqua park located quite close. Winter sports offer unlimited skiing activities on the nearby ski slopes as well.

There are about 100 car parking slots available near the hotel. ■

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In the group of Chemosvit and Finchem the protection of personal data is guaranteed

In the countries of the European Union the new European GDPR Regulation (General Data Protection Regulation) has been in force since May 2018, which lays down uniform rules regarding personal data protection. The regulation applies to all companies, institutions as well as individuals who come into contact with personal data of their employees, customers and suppliers. GDPR tightens previous legislation and introduces high financial penalties for any infringements.

In the groups of Chemosvit and Finchem companies thorough attention has been paid to personal data protection even since the first version of the regulation

was issued in 2002. Before the regulation came into force an external security audit by Autocont company and a GAP analysis of possible discrepancies and current compliance with the requirements laid down in GDPR were carried out. The output of the audit was a complete documentation and recommendations what corrective measures to take to comply with the regulation. A Commission for personal data protection, as an advisory body of Chemosvit General Director, was

established, consisting of a company representatives responsible for documentation, information technologies and for legal compliance.

Our goal is to implement and keep improving our personal data protection system in the company, to handle properly claims of persons concerned, solve the security incidents and manage methodically the people from our subsidiaries who are in charge. ■



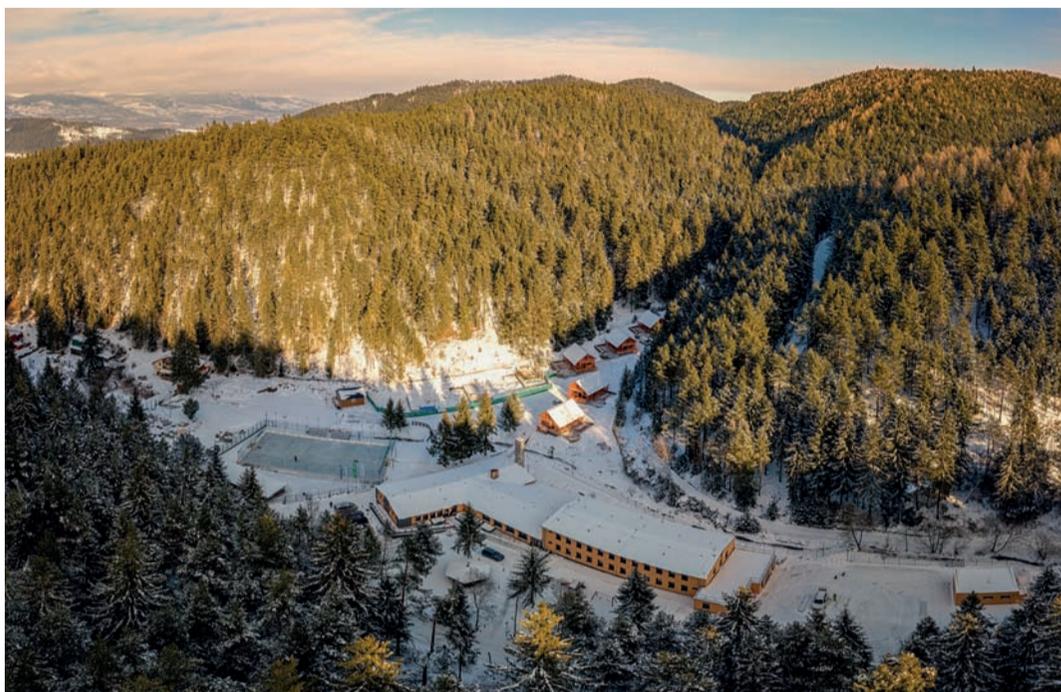
Visitors from different parts of Europe



Deep in the Lopušná dolina valley surrounded by a high-growing green forest lies a decent hotel with its chalet paradise, which offers its guests everything they expect from summer or winter holiday: a quality accommodation, quality food, quiet atmosphere in the bosom of pure nature, sport facilities, hiking and cycling paths but also proximity of the High Tatras.

The hotel has already been discovered by guests from various parts of the world – visitors from Czech Republic, Hungary, Germany, Netherland, Russia, Ukraine, Israel, Austria, USA and Lithuania come here. Not just skiers and sportsmen but also families with children. Good hotel references prove the families are satisfied here. A double room with extra bed and a family room for two adults and two children are the best-selling rooms.

Lopušná dolina has a long history, it used to be a pioneer camp for kids before, but later it underwent some refurbishments and modernizations. Nowadays there is a two-star mountain hotel and some other premises in the brand-new chalets for comfortable accommodation.



The chalet paradise has expanded and now it features 6 chalets with the capacity to accommodate as many as 57 persons and the hotel capacity is 50 persons. The hotel featuring quality equipment and unique forest location provides its guests with many options. Our ambition is to create a satisfaction and quality reference, vast variety of hotel and restaurant services, to benefit the region under the High Tatras, the Slovak and transnational tourism. The intention is to extend the range of additional hotel services with fitness and wellness facilities as well as a playroom for the youngest among us.

The hotel may be used not just for stays of families with kids, for skiing and summer holiday but also for various work and family gatherings, wedding parties as well as sport events. There are tennis courts equipped with associated facilities at the site as well. In Lopušná dolina the year 2019 will be the year of work, innovations and the last phase of the hotel upgrade will be completed so the visitors of Lopušná dolina can feel at home there. ■

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THE AWARD FOR CHEMOSVIT FOUNDATION - SENIOR FRIENDLY

„A modern life of a senior is far more than just gardening and taking care of grandchildren. We have to learn how to get old in an active way. So our goal is to draw attention and reward morally those who make it easier for us“ said Miloš Nemeček, the chairman of the citizens association Bagar, which is together with daily newspaper Práca and Club Luna one of the main competition organizers, explaining the meaning of Senior Friendly competition third annual.



The competition for 2018 was launched for companies, institutions and individuals that help seniors improve their life quality.

Senior Friendly Award had four categories in 2018: self-government authorities, large-sized companies, small-sized companies including one-man enterprises and educational, healthcare and other institutions. To note as a matter of interest, more than 50 entities applied in the first two competition annuals and the year 2018 was not

an exception either.

The idea of a need for active life for seniors is supported by grassroots organization Pensioners Unity of Slovakia (Jednota dôchodcov Slovenska) in Svit which appreciate the support of all who help them with it and there belongs also Chemosvit Foundation as a significant contributor.

The plaque Senior Friendly 2018 was awarded to 10 organizations including Chemosvit Foundation for the offers of various benefits,

services, products, activities and other benefits for pensioners. During 15-year existence the Foundation allocated the sum of 45 270 €. The group of pensioners covers people who used to be employed with the company but because of a disease they became disabled, but there are also those lucky ones who enjoy the healthy life in retirement age. There belong also those seniors who are the members of various clubs and organizations that are in a large numbers located in Svit and its vicinity.

Eight organizations and individuals received the honorary certificates Senior Friendly.



In the last year alone the Chemosvit Foundation contributed to social area, culture, education, sport, health care system with focus on its employees and region with the sum of almost 37 thousand Eur. ■

Any natural or legal person can contribute to the account of the Foundation either by a donation, or by a 2% tax deduction. The account No. in Tatrabanka is: IBAN SK66 1100 0000 0026 2238 1900 with the name of „Nadácia Chemosvit“.