

# kaolin connection

No 3 | 2013

Newsletter for Kaolin  
partners worldwide



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## A Year of Safe Work!

On October 5, 2013 Middle Georgia BASF employees completed one year of work without a recordable injury, an achievement that broke the previous site record of 296 days. This reflects a strong and long-running commitment to safety by the Middle Georgia employees who also previously won the Georgia Mining President's safety award four years in a row (2008, 2009, 2010, and 2011). No other company in the Georgia Mining Association has won this prestigious award consecutively.



Speaking about the recent safety milestone, Keith Brooks - Site Director of BASF's Middle Georgia sites - commented, "I am very proud of all 607 Middle Georgia BASF employees who deserve the credit for this outstanding safety achievement." Please join us in congratulating the entire Middle Georgia team!

## Foreword from our Vice President

Dear Colleagues and Trusted Partners,

Autumn is a special time world over. It is a time of transition-leaves are changing, the harvest is in and it is getting colder. In the US, it is also a time for giving thanks. In that spirit, I would like to recognize and thank the whole Kaolin team - employees and trusted partners alike - for an excellent year thus far. The team has achieved several significant milestones in safety, in business performance and in efficiencies.

A concerted effort to improve safety performance is being made across the Kaolin business. BASF employees at the Middle Georgia facilities worked more than a year without a recordable injury. BASF employees at the Daveyville, Edgar and Minerals units celebrated other impressive milestones of over 6 years, 900 days and 1 year without injury, respectively. Leading indicators like near miss reporting and safety observations are also on the rise. However, there is much more work to be done. In spite of these achievements, three accidents befell contractors in Middle Georgia this year and recently, a Daveyville employee was injured. These four injuries remind us of the need to always recognize potential hazards at work and in our everyday lives and take appropriate measures to avoid injury.

Top line business performance in 2013 has been solid with sales and margin tracking slightly above budget, which translates into growth and profitability above 2012 levels. Given the many challenges in global and regional markets, this is a marked

achievement and one our whole team should be proud of. Our plan for 2014 maintains the momentum we have begun. Indeed the long-term strategy we are developing seeks further growth and profitability. Just like the quest for a "zero-incident mindset" in safety, we must relentlessly pursue improvement in our business performance.

In this same vein, I am happy to announce that a number of operational excellence initiatives are underway in Middle Georgia. These initiatives are part of a comprehensive plan that aims to reduce cost, improve efficiency and provide sufficient capacity for future growth in key segments. The impact of these measures is significant and provides momentum for sustainable success.

Just as autumn brings striking and visible change, our business is undergoing a transformation, one that is tangible and successful because of the support and dedication of the entire Kaolin team. Thank you for your tireless dedication and fierce support of our business. Let us continue to Dig our Success!

Shane Porzio  
Vice President, Global Business Management, Kaolin

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 **BASF**  
The Chemical Company

## Meet the Team: Europe Customer Care

The Kaolin Customer Care Team in Europe is based in Helsinki, Finland. The team has five customer care representatives who are responsible for all the customers in Europe, the Middle East and Africa (EMEA) for kaolin. Together they have more than 40 years of experience in the kaolin business. In addition, the team provides sales and marketing support as well as administrative support to BASF Minerals Oy. The annual sales volume is in excess of 350,000 metric tons with over 100 different product/package combinations which are delivered either directly from the USA or via one of the five slurry plants or four warehouses located throughout Europe.



**Pictured, Left to Right (Years of Service):** Janita Mannonen (5 yrs), Jaana Hiekkala (7 yrs), Satu Aalto (6 yrs), Cecilia Oeblom (1+ yrs), Tea Otava (5+ yrs), Sue Byers (17 yrs)

In order to keep pace with the growth of the Kaolin business in Europe over years, the team has grown from one to five people in Helsinki. As the first team member, Jaana Hiekkala experienced all of the modifications over the last seven years and noted that one of the largest changes came when Pertti Malmelin's retirement, BASF Minerals Oy restructure, and Project One all happened at the same time!

The customer service team in Helsinki has not only expanded in numbers, their responsibilities have increased as well. The team excels at troubleshooting problems and finding practical solutions. Sue commented, "I have witnessed the team's transformation firsthand throughout the years, and I feel privileged to be given the opportunity to step in as the team leader at this time." In addition to the primary function of customer order processing, they also assist the sales and marketing team with forecasts, commissions, and samples; verify and process third party vendor invoices; maintain customer master data in SAP for Kaolin EMEA and assist with inventory, production and purchase order transactions in SAP.

## Diggin' Success: Mike Heinz & Beate Ehle visit Kaolin

Mike Heinz, BASF SE board member, and Beate Ehle, President of Market and Business Development North America, visited the Middle Georgia production facilities during the month of July. Mike Heinz's visit was part of the process for the development of kaolin's 10-year strategy while Beate Ehle's visit focused on employee interaction and discussion on the topics of safety, culture, site development, and operational excellence.



Mike and Beate both rode in earth movers at the Kaolin Dixie Mine, one of four milling operations in MidGa, and visited the Gordon, Daveyville, Toddville and Edgar plants which all prominently displayed signage in support of the 'Diggin' Success' project. 'Diggin' Success' encompasses three pillars: strategy development, a financial turnaround plan, and cultural transformation. The aim of the project is to create a sustainable Kaolin business.



After visiting the plants Beate remarked, "The people here are fantastic and really engaged. You could really feel the camaraderie they have with each other." Her visit also included a town hall style address at the Gordon Conference center and a stop at the Gordon Technical Center where she learned about key development projects originating from Paper Chemical's strategic focus on packaging and operational excellence.



Middle Georgia warmly welcomed Mike and Beate and were glad to engage with them on a variety of important topics.

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## Channel Partner: Clay & Clay

Hi, my name is Antonio Veggetti, but everybody at BASF simply calls me Antonio. I am in charge of selling kaolin to the Italian paper industry.

The first time I saw kaolin was in 1969 during a visit to a medium-sized Italian paper mill producing SC paper: I could not have imagined at that time that my future would have been so heavily influenced by this mineral! I graduated from the University of Bologna in Engineering after 5 years' experience in the design of components for power stations. In 1980 I started selling clay in a small company, an agent of a European sales organization called Euroclay. At that time I was selling mainly Brazilian and US clay grades, both coating and fillers.



In 1986 Euroclay decided to start up their own offices in Milan, and asked me to take care of the sales of clay to the Italian paper industry. At that time we were selling clay coming from Brazil, the US, and Germany, being that Euroclay belongs 50% to the largest German clay producer, Amberger Kaolinwerke. In 1999 the American producer Dry Branch Kaolin Co., owner of the remaining 50% shares of Euroclay, merged with our largest competitor which already had their own sales organization in Italy. With the support of AKW, I decided to open a new company. Considering that I was going to sell clay grades coming both from primary and secondary deposits, I decided to call it Clay & Clay. My cooperation with Engelhard first, and BASF later, started at that time. I never stopped selling clay, and I calculated that so far I have sold approximately 2.5 million tons of clay into the Italian paper industry. Today Clay & Clay is selling almost 50% of the total clay demand of the Italian paper industry.

Whenever you read any literature concerning marketing, you will learn that there are three keys to success: you must know the product you are selling, you must know the customers and the market where you want to sell, and you must know as much as possible about your competitors and the products they are selling. In my case, there was one additional key: the support I have always received from BASF, both in terms of assistance during sales action, and technical assistance from both Germany and the United States. For sure, this support made the difference and helped Clay & Clay to become the leader in sales of clay grades to the Italian paper industry.

## Product Spotlight: Mattex® PRO

**Mattex® PRO** is a patent pending, engineered, high performance kaolin designed for use in flat architectural paints. It is uniquely structured to provide very high scrub resistance properties and very low sheen while maintaining excellent hide. Its very low sheen and gloss make it ideal for paints that require excellent touch-up properties without the use of flattening agents. Flattening agents have either high levels of crystalline silica or tend to have very high oil absorption which has adverse effects on film porosity, stain resistance and scrub resistance. Mattex PRO simplifies paint formulation by eliminating other extenders and simplifying the inventory management of multiple raw materials.



### Benefits of using Mattex PRO:

- Provides up to 30% higher scrubs over conventional kaolin
- Maintains excellent hide and tint strength
- Simplifies paint formulating by eliminating the use of flattening agents
- Improves burnish resistance
- Enhances touch-up of flat paints

Physical Properties	Typical Value
Physical Form	Highly Pulverized Powder
Special Modifications	Dehydroxylated
Screen Residue, 325 Mesh (%)	0.5
Free Moisture (%), measured at 105°C	0.5
pH (20% solids)	4.5
Median Particle Size, Sedigraph (µm)	2.7
Specific Gravity (g/cm³)	2.58
Bulk Density, Loose lbs/ft³ (kg/m³)	20 (416)
Bulk Density, Tamped lbs/ft³ (kg/m³)	44 (704)
Oil Absorption, Rubout (ASTM D-281)	57

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## Second Harvest Food Drive

The Charlotte Technical Center collected over 1,500 pounds of food and over \$15,000 for the Second Harvest Food Bank of Metrolina (SHFBM) this past August. In addition to the traditional food drive, a "Penny Wars" competition was held to encourage participation and camaraderie across the site. Employees were split into four teams which then competed to raise money for the food bank by donating pennies and checks for their team and donating coins and paper money to count against the other teams. There was a great response from the site with 100% participation.



Members of the Kaolin business team also volunteered at the Second Harvest Foodbank itself, sorting donated food for distribution to locals in need. It was an excellent opportunity to give back to the local community while also providing a fun opportunity for the team to

participate in together. It was so well received, in fact, that several members expressed interest in volunteering again in the near future and possibly make it a regular volunteer event.

The combined efforts were, of course, greatly appreciated by the foodbank. "Each year, BASF has stepped up and shown outstanding support to Second Harvest, and we are extremely proud to have BASF as part of our community," said Toni Morris, Development - Food Drive Coordinator, SHFBM.



## Kaolin on the Road: Tradeshows

BASF Kaolin had a presence at this year's Western Coatings Symposium in Las Vegas, Nevada. The biennial tradeshow and conference for the western United States and Canada coatings industry draws in a crowd every year. This year saw the launch of the new Mattex® PRO together with a paper and presentation as well as a welcome reception held at the Chateau Nightclub and Gardens at the Paris Hotel.



We are excited to be involved in this year's China Coat super show in Shanghai which will host over 1018 exhibitors from 35 countries and regions. Coatings manufacturers, raw materials and machinery suppliers, and others will meet and network at one of the world's largest trade shows. We look forward to meeting with distributors and customers and further increasing BASF's presence in the region.

## Save the Date: Upcoming Webinars

**December 17<sup>th</sup>:** *Architectural Coatings*

- **9am** EST for North America, Europe
- **8pm** EST for Japan, China, Australia

**December 18<sup>th</sup>:** *Wire & Cable*

- **8:45am** EST for North America, Europe
- **8pm** EST for Japan, China, Australia

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