



InSIGHT

Keeping you informed of the latest Koppers Performance Chemicals and Industry News.

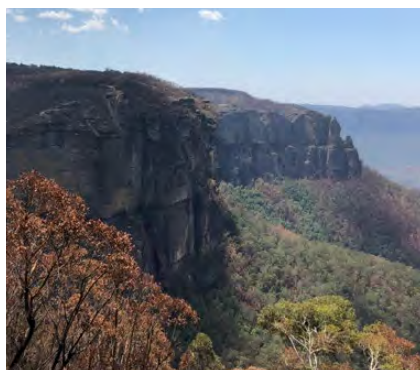


Issue 7 - March 2020

Welcome to the first 2020 edition of the KPC Insight Newsletter. First of all, our best wishes to all who have been affected by the ongoing bushfires around Australia. There will not be many of us who have not been either directly impacted or who know relations or friends who have been impacted in some way.

Many regional and even near metropolitan communities have lost lives, homes and of course forests and fauna. Sawmills have been damaged or lost and huge areas of native and plantation forests have been affected meaning salvage and other operations to remove damaged log and then process to recover as much valuable fibre as possible. Longer term there will need to be replanting. The task is huge and as an industry I am sure we will all work together towards recovery. In terms of the effects of bushfire on preservative treatment, we will work with our customers to ensure that affected wood can be successfully treated and that effects such as bluestain can be controlled as much as possible.

As I write this introduction, flooding rain has hit the East Coast of Australia, so lets hope this will be the end of the bushfire season and the beginning of the end of the longest drought in Australia since the First Fleet records. And as if that wasn't enough, Coronavirus is having an immediate effect on the economy and sharemarkets and there is a long way to go!



View from Govetts Leap Blue Mountains NSW after Christmas fires wiped out 80% of the National Park Forest

Fires to hit Australian GDP

The following article focusses on the possible economic effects of the current bushfire crisis, it should be noted that the ongoing drought and now Coronavirus will no doubt have a very significant effect on the Australian economy that will only become apparent as the course of these disasters run their course.

10 January 2020 David Plank, Head of Australian Economics, ANZ

This article extracted from ANZ Institutional website at:

<https://institutional.anz.com/insight-and-research/January/fires-to-hit-australian->

Impact

At publication, more than eight million hectares have been burnt during the bushfire disaster. At least 25 lives have been lost and more than 2,000 homes have been damaged or destroyed. More than 100,000 livestock may have perished and at least 480 million wild animals are estimated to have perished or been affected.

Physical and mental health impacts (including from smoke which has spread as far as South America) and the effects from loss of social infrastructure and community will emerge over the longer term.

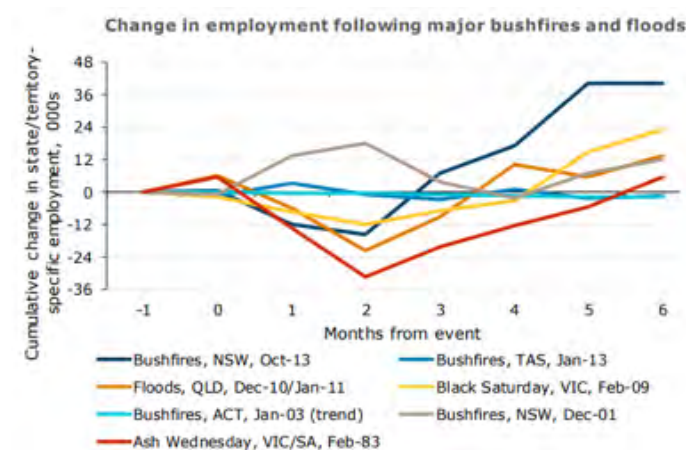
Research suggests the economic effect at the national level of past bushfires has not been significant. The report *Floods, Bushfires and Sectoral Economic Output in Australia, 1978–2014* empirically determines whether bushfires and floods have an impact on Australia’s overall gross value added during that period.

Although the report found floods reduce total output, it did not find an overall impact from bushfires. The loss of homes, businesses, revenue and livestock, while often devastating, in an economic sense appeared to be largely offset by reconstruction works and government support.

However, at a sector level, the report found bushfires negatively impacted three service subgroups (construction, transportation and the financial-insurance sector) and positively impacted two service groups (utilities and retail). Agriculture surprisingly has not been significantly impacted.

At face value, this suggests the impact on the national economy will be small, though with more meaningful implications for regional economies and across sectors. This doesn’t take into account the potential impact on sentiment. The ANZ-Roy Morgan Australian Consumer Confidence survey for the first weekend of January showed a significant decline in confidence about the economic outlook. This pushed overall confidence to its lowest level in more than four years.

At a time when consumer spending is at four-year lows, the hit to sentiment from the fires and associated smoke may mean this season’s disaster has a bigger impact than those in the past.



Koppers Supports New Timber Industry Framing Campaign

Koppers has a long history of supporting Industry Associations and Campaigns and was very much involved in the Pine Timber Framing Campaign that was successfully developed a few years ago by industry to support the use of timber framing.

The driver at the time was competition of alternative framing materials, particularly steel framing and similar drivers have led to the development of the current campaign. Koppers has again become a sponsor of the current campaign and you can read more about it in the following press release from AFPA.

Timber Framing – The Ultimate Renewable™

3 Dec 2019

The Australian Forest Products Association (AFPA) is proud to launch a new education and promotion campaign called 'Timber Framing – The Ultimate Renewable™' which will communicate and promote the many benefits of using renewable timber framing products to our valued supply chain partners, builders and consumers, Chief Executive Officer of AFPA, Mr Ross Hampton said today.

Mr Hampton said, "Timber framing has a category leading position with over 80 per cent of the market, those of us involved in our renewable timber industries have understood for a long time how incredible a product timber is and the positive environmental and socio-economic impacts it has. It's great to see this new education and promotion campaign on the benefits of timber framing reaching out across our supply chain to builders and consumers."

The 'Timber Framing – The Ultimate Renewable™' messaging was developed in close alignment with Forest & Wood Products Australia's 'The Ultimate Renewable™' and 'WoodSolutions™' programs but with a focus on timber framing products.

The centrepiece of the campaign is a 'Timber Framing – The Ultimate Renewable' website that includes the details of the many benefits of using renewable timber framing, builders and specifier's testimonials, find-a-manufacturer function, and industry collaboration and assets.

The website also details twelve reasons why more Australian home builders & owners choose renewable timber framing, including being proven and popular; durable and termite treated; fast to assemble; strong, stable and quiet; renewable and responsibly sourced; has low embodied energy; and stores carbon from the atmosphere to name a few.

"Timber is a proven and popular renewable framing material that provides comfort and security for hundreds of thousands of Australian homes. Timber house frames are responsibly sourced and store carbon for life, absorbed from the atmosphere by a growing tree. When timber for framing is manufactured today it's replanted for tomorrow. That's why timber is the ultimate framing material," Mr Hampton concluded.

More information on 'Timber Framing – The Ultimate Renewable™' can be found at

www.woodsolutions.com.au/framing



Timber Framing – The Ultimate Renewable™

When something simply works, we take it for granted. But for the builder, it's a long story. For the homeowner, they may not fully appreciate what it takes to get their biggest life investment. We are working together to ensure that timber framing is the ultimate renewable.

Meeting your business needs as the builder
The house frame and roof structure are a critical stage of the build process. With a comprehensive network of timber fabricators across Australia, you can be assured of reliability of supply, competitiveness and experience that will underpin your vision as a builder.

And equally important, timber is comfortable and kinder with timber. Used for decades by chipmunks, timber structures for Australian dwellings, whether you build on-site or pre-fabricated, are proven to offer enormous design flexibility, especially when there are inevitable changes and corrections in the build design.

Common misconceptions about timbers and fire with timber framing?
Sold in Australia for over 12 years, Blue Pine timber framing is the proven solution for most of Australia with 25-year manufacturers' warranty for the majority of timber standards.

Note that for houses north of the Tropic of Capricorn, a stronger protective termite treatment is available. In relation to fire, there is currently no restriction on what structural products are used for domestic house framing.

Class 1 Building? It is important to note that many fire protection design decisions relate to external materials of the house.

To assist in determining the relevant Building Attack Level (BAL) for a specific building site, go to the online design tool: woodsolutions.com.au/bal

Make yourself stand out as a builder that is known for sustainable choices
Homeowners, particularly millennials, are interested in the choice of materials in their new homes. This is why timber framing has a great story to tell. Using timber in buildings stores the carbon for as long as the building exists, whereas other framing is sourced from sustainably managed plantation forests which are constantly being replanted after harvest.

For you as the builder, choose timber framing to receive fast facts and assist in carbon that has been stored in the houses you build.

Start YOUR carbon counting today!



Why do more Australian home builders and owners choose timber framing?

- Proven and popular
- Termite resistant when treated
- Strong, stable and quiet
- Fire predictable
- Low cost flexibility
- Stores carbon

woodsolutions.com.au/framing





Safe Work Australia Chemical Reviews

Safe Work Australia (SWA) is evaluating the Workplace exposure standards for airborne contaminants to ensure they are based on the highest quality, contemporary evidence and supported by a rigorous scientific approach. SWA has been issuing draft evaluation reports for different airborne contaminants for comment

Each report includes:

- a recommended Workplace Exposure Standard (WES) value
- information about the basis of the recommendation, and
- a summary of the data relied upon to make the recommendation

The recommended WES values are health-based recommendations made by expert consultants using the streamlined methodology developed by Safe Work Australia, and have been independently peer reviewed.

SWA is seeking comments of a technical nature on the draft evaluation reports and recommendations for the workplace exposure standards throughout the project.

Some of the reports have been relevant to Koppers and Koppers Performance Chemicals manufacturing and treating sites and for their customers. Some of the proposed levels are indicated in the table below and the changes are very significant. Koppers have been progressively commenting on some of the released reports and will continue to liaise with SWA.

Australia Worker Exposure Standard Update



Compound	Existing Standard	New Standard	Change
Arsenic	0.05 mg/m ³	0.01 mg/m ³	-80%
Benzene	3.2 mg/m ³	0.7 mg/m ³	-78%
Borate	1.5 mg/m ³	0.75 mg/m ³	-85%
Coal Tar Pitch Volatiles	200 ug/m ³	0.1 ug/m ³	-99.95%
Chromium (II,III)	0.5 mg/m ³	0.04 mg/m ³	-92%
Chromium (VI)	50 ug/m ³	0.007 ug/m ³	-99.99%
Copper (fume, dust, mist)	0.2 mg/m ³	0.01 mg/m ³	-95%

If you require further information or wish to make comments, see <https://engage.swa.gov.au/workplace-exposure-standards-review>

Product Development Manager - Luke McGregor

It's now been a few months since our new Product Development Manager joined our team. We wish Luke every success in heading up KPC Australia's R&D efforts and hopefully he will be visiting customer sites in the next months as his work progresses. In the meanwhile, Luke gives a little insight into his career.



I grew up in St.Kilda and left school at the age of 16 to do a sail making apprenticeship as I was heavy into sailing in my youth. In my early twenties I went back to school and completed my HSC and gained acceptance at Deakin University in Geelong to study chemistry and obtain my Bachelor of Science.

I began working for Hoechst, which eventually became Clariant, in their new Lara plant as afternoon QC Chemist. This was a challenging role as everyone went home at 5pm leaving myself and the operators to run the plant for the night!

I progressed to though to R&D chemist and then a technical service representative, going out to customers with the sales team and providing technical support. This progressed to me travelling to S.E. Asia and China providing technical support and training.

At this point I was married and had our first child on the way, so I looked for a role with less travel and became National Laboratory Manager at Fuchs Lubricants, looking after the labs in Melbourne Newcastle and Perth. After 5 years I changed roles and became Industrial Product Manager for Fuchs.

After another 5 years at Fuchs I move over to Nufarm as Formulation Development Manager, where I managed the R&D laboratory and a staff of 12 chemists and then to AkzoNobel selling to the Agriculture Pesticide manufacturers. AkzoNobel was bought by private equity and became Nouryon.

Living in the Geelong region I was always keen to find work in Geelong and move back into a more technical based role. I jumped at the chance to join Koppers and look forward to making a solid contribution to the company's success in the coming years.