



**Safety, Health  
and Environmental  
Progress Report  
for 2002**

## Highlights of 2002

At Koppers, our Safety, Health and Environmental (SH&E) values and principles are paramount. They ensure the well-being of our employees and that of the communities in which we operate. At Koppers, these are words that we live by, every day.

Our SH&E Policy affirms our commitment to designing, implementing and managing workplace and product safety processes that protect the environment, our customers, our employees and our neighbors. Our business decisions are guided by this policy because we know that SH&E performance must lead profitability.

In 2002, Koppers implemented a new Environmental Management System at all U.S. locations. In 2003, we expect to extend this work to international locations and Koppers will begin to obtain ISO 14001 certification at all locations. ISO certification will provide tangible evidence of our commitment to environmental stewardship.

This past year we also worked with the U.S. government to resolve an unacceptable situation at our former Coke Plant in Dolomite, Ala. This plant is now closed, and the agreement is discussed in more detail on page 5.

In 2002, we enhanced our safety culture with additional training and new processes. I am proud that 24 operating locations met or exceeded the 2002 Total Recordable Rate safety target. In addition, 12 plants received the National Safety Council's Green Cross Safety Excellence Achievement Award.

Koppers also added three Community Advisory Panels (CAPs) in Somerville, Texas, and in Montgomery and Woodward, Ala. Twelve panels now meet regularly with Koppers management to share community concerns. In addition, Koppers and its employees donated hundreds of volunteer hours and made financial contributions to social service and other non-profit organizations.

Decades ago, industrial manufacturing did not have modern technical processes to control many workplace dangers and limit the environmental impact of production. Today, we make safety and environmental protection top priorities, to protect our employees, the public and the planet on which we all live.

This report is a tangible expression of our commitment in all of these areas.

Walter W. Turner



CEO and President  
Koppers Inc.



Koppers Directors' Award of Safety Excellence provides a \$5,000 donation to a local non-profit organization selected by employees on behalf of the plant. Here are the 2002 recipients.

Harmarville Technical Center:  
Harmar Township Vol. Fire  
Company No. 1 and the Greater  
Pittsburgh Community Food Bank,  
\$2,500 each

Grenada: Saint Jude Children's  
Research Hospital, \$3,000; and  
Liberty Disaster Relief Fund  
(through the American Red  
Cross), \$2,000

Somerville: Somerville PTSA  
Scholarship Fund, \$5,000

Roanoke: O. Winston Link  
Museum, \$5,000



## Our Commitment to Safety, Health and Environment

This Safety, Health and Environmental Progress Report is our first effort to share with the public our progress in improving safety and protecting the environment at our locations around the world.

Koppers faces an ongoing challenge in advancing safety and environmental issues while manufacturing chemicals and treating wood. Given the nature of these products, our industry must follow a great many regulations to comply with today's clean air and clean water standards and the needs of our communities.

There are many people interested in how Koppers addresses SH&E concerns: customers, employees, stockholders, government agencies, environmental organizations and community residents. We have developed this report to help you understand the multitude of challenges we must meet to reach our goals and to share our progress in meeting them.

This comprehensive report on our activities over the past year explains how Koppers:

- Recognizes and values environmental innovation and safe work practices,
- Involves the community in our operations,
- Encourages civic service and environmental participation, and
- Promotes healthy lifestyles among our workers.

Working with environmental regulations and safety requirements, Koppers has historically been able to achieve its strategic objectives of risk reduction, productivity improvement, customer satisfaction and growth. We will continue to operate in this manner, for we believe that the priority we have for SH&E excellence will bring prosperity to our communities, employees and shareholders.

Randall D. Collins



Vice President, Safety, Health and Environmental Affairs  
Koppers Inc.



Boys and girls start the race at the Tanalised Green Forest Run 2002 in Malaysia. Koppers Arch Wood Protection and the Clark Hatch Fitness Center sponsored the race at the Forest Research Institute of Malaysia in Kepong, Kuala Lumpur. The October event promoted fitness and forest conservation and supported World Vision's efforts to eradicate poverty.

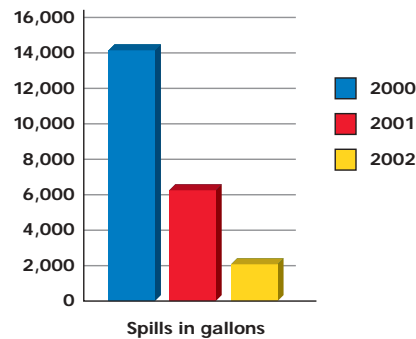


# Environmental Compliance

In 2002, Koppers U.S. employees followed and documented compliance with hundreds of applicable environmental regulations. Thousands of operating procedures ensure that processes operate properly and assure that emissions and discharges are below legal and acceptable limits.

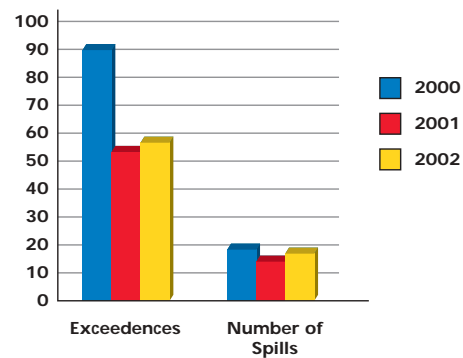
Koppers is responsible for complying with more than 10,000 data points annually just to meet Clean Water Act requirements. Therefore, 100 annual exceedences would translate to a 99 percent compliance rate. Koppers has cut exceedences by a total of 68 percent since 1996.

## Release Volume



	2000	2001	2002
Quantity of spills (gallons)	14,082	6,406	1,698

## Compliance Performance



	2000	2001	2002
Exceedences	92	55	58
Number of spills	20	15	19

## Improvements for Environmental Protection

Capital improvement projects at a number of locations in 2002 will help Koppers in its efforts to reduce pollution and increase overall compliance.

- North Little Rock, Ark. installed new control equipment that will significantly reduce emissions into the air.
- Improvements to the Tar Plant Thermal Oxidizer in Stickney, Ill. will control volatile organic compound emissions and odors from two fume system vents.
- The Longford, TAS timber plant in Australia undertook a trial to identify ways of reducing levels of arsenic and chrome in the plant's stormwater settling ponds. The results are encouraging.
- While Australia is experiencing drought conditions, the Kurnell, NSW plant of Continental Carbon has signed on to the Sydney Water "Every Drop Counts" program to reduce water consumption.
- The flaking operation of the phthalic anhydride plant at Stickney, Ill. was modified for better dust collection, improving the work environment for employees. New access platforms at the pitch valves will create a safer work environment.

## Settlement – Moving Forward

In August, Koppers agreed to pay \$3 million in fines and restitution to settle allegations that it violated the Clean Air and Clean Water Acts in 1997 at its former Coke Plant in Dolomite, Ala., just outside Birmingham. In addition, the company will implement an ISO 14001-based, industry-leading environmental management system at its U.S. plants and has agreed to a three-year probation period.

The case stems from a 1997 discovery by Koppers that a former plant environmental engineer falsified a discharge monitoring report. Also, in certain instances, employees failed to properly maintain and operate the gas-blanketing system at the plant. There is no information that suggests the environment or any individuals were harmed by this incident.

Koppers immediately terminated the environmental engineer, repaired the gas-blanketing system, corrected the discharge report and self-reported the incident to the government. Koppers also conducted a thorough compliance audit to ensure future operational compliance. Due to the downturn in the steel and coke industries, the plant was closed in January 1998. The company regrets this incident, but has taken all appropriate measures to learn from and prevent similar occurrences.

## Innovative Co-Generation Plant

Each year the Koppers Co-Generation plant in Muncy, Pa. converts approximately 110,000 tons of used creosoted wood products into enough electricity to power more than 700 households. It also reduces the waste that goes into landfills. The \$9 million co-generation plant was built in 1988 when Koppers joined in a strategic alliance with Conrail and Pennsylvania Power and Light (PP&L) to convert crossties to electricity in a safe and environmentally sensitive manner.

By burning used utility poles and railroad ties that have been removed from service in a permitted and controlled facility, the plant produces steam, which is converted to electricity by an eight megawatt turbine generator. The electricity is supplied to PP&L.

Treated wood cannot be burned in ordinary incinerators, so most used treated wood is destined for landfills. With most public policy initiatives seeking to reduce or eliminate the unnecessary use of landfills, industry was left with a challenge. Providing an attractive solution, Koppers, since 1988, has converted 1,392,000 tons of used creosote treated wood into energy, saving the nation's railroad industry millions of dollars per year in landfill costs and saving 56 million cubic feet of landfill space.



## Environmental Awards

Koppers presents Environmental Compliance Awards to U.S. locations—based on specific levels of improvement in environmental management; and meeting or exceeding Koppers corporate environmental goals. In 2002, the Clairton, Pa., Portland, Ore., Roanoke, Va., Superior, Wis., Stickney, Ill. and Woodward, Ala. plants earned Environmental Compliance Awards.

Environmental Stewardship Awards are given to U.S. and international plants that address an environmental issue in the workplace or community in a unique and exemplary manner. In recognition, a donation is made to an environmental or community organization chosen by the plant's employees. In 2002 these plants were honored:

- In Stickney, Ill., a new residue exhauster recovers 65 to 70 percent of the waste stream from phthalic anhydride (PAA) production. The project reduces the hazardous waste generated, reduces truck traffic, provides saleable PAA and cuts disposal costs—saving \$1.3 million a year. Stickney's \$5,000 award was donated to the City of Stickney, which used it to build a skateboard track at the Stickney Skateboard Park.
- In Roanoke, Va., a study in waste management revealed ways to recycle more efficiently, saving about \$18,000 a year. Roanoke's \$2,500 award was donated to Glenvar High School.
- Koppers in Nyborg, Denmark worked with a local utility to transfer excess heat energy from the plant, supplying power to meet 7 to 8 percent of the community's energy needs, enough for 1,000 houses each year. The project also reduced chemical discharges and electricity use by the plant. Nyborg's \$2,500 award bought a new exercise bicycle for a senior citizen center in Nyborg.

In addition:

- Koppers Europe is working toward achieving an integrated management system, which simultaneously complies with ISO 9000 (Quality), ISO 14001 (Environmental) and ISO 18000 (Health and Safety).
- Continental Carbon, in Kurnell, NSW, Australia, received a certificate of recognition from the New South Wales Sustainable Energy Development Authority for installing a variable speed drive on a recycled water pump, an improvement that will significantly reduce the generation of greenhouse gases.
- In June 2002, employees from Koppers locations in Pennsylvania participated in the Ohio River Sweep, the largest river cleanup effort in the United States.
- Koppers planted trees in Gainesville, Fla. and North Little Rock, Ark. providing a visual and sound barrier between those plants and their neighborhoods. It also donated crossties to protect a green area at the North Little Rock Fire Department station.



## Security and Emergency Response

The September 11, 2001 terrorist attacks caused many companies to consider the vulnerability of their manufacturing facilities. Koppers has taken appropriate measures to assure that its plants and materials are protected and controlled. Evacuation exercises have been conducted at several locations, including evacuating staff from the Koppers Building in Pittsburgh.

Koppers regularly conducts emergency response drills at all of its locations, so local fire, police, rescue squads and hazardous materials containment teams are ready for any crisis. In Galesburg, Ill., Somerville, Texas, Gainesville, Fla., Logansport, La. and Denver, Colo., simulated rescue drills involved local authorities and plant emergency teams.

In Victoria, Australia, the Trentham plant of Koppers Arch worked closely with the Regional Country Fire Authority to ensure that plant emergency plans were incorporated in the regional plan. Because its arsenic acid production classifies the plant as a Major Hazard Facility, Koppers Arch has worked to educate the community about the plant, and what to do if an emergency occurs.

Stickney, Ill. employees trained for high-angle rescues from a tower or in a confined space. Rescue pulleys were attached to a track line, similar to an aerial tram, while workers on the ground pulled other ropes to control the speed of the "victim's" descent. Mountain climbers developed the techniques that were employed in the rescue class.

## Safety: Our Highest Value

At Koppers, our goal is to send all employees home as healthy as they were when they arrived for work. The company maintains several ongoing and evolving safety improvement programs designed to achieve this objective. Over the last several years, Koppers employees have been able to significantly improve the company's safety performance.

- The combination of cases with days away and job restrictions was down 8 percent from 2001.
- Koppers experienced a 5 percent improvement in medical treatment cases and a 4 percent reduction in total cases, from 2001.
- In 2002, the DART (Days Away Restricted/Transferred) rate was 2.6 cases per 200,000 hours, compared to a 2.7 DART in 2001.
- Koppers global operations achieved a TR (Total Recordable) rate of 5.1 per 200,000 hours in 2002, identical to the 2001 TR.
- 28 operating locations completed 2002 without a lost work case.
- Since 1996, total OSHA recordables are down 63%.
- The OSHA recordable case count was down 3.7% from 2001.

### Safety Awareness Program

A new Safety Awareness training program delivered to all U.S. facilities encouraged employees to be responsible for their own safety, and that of their coworkers, making it their chief concern every hour of every day. All U.S. plant employees attended an eight-hour safety awareness seminar designed to energize employee attitudes and create a culture that promotes a safe working environment.

An SH&E Observations and Contacts Program was initiated to incorporate behavioral elements into the process. The objective is to deliver a safety message to every employee or conduct a discussion of safe behaviors on the job, once every week. Each month, supervisors must conduct SH&E observations of every employee in an effort to catch a fellow employee working safely—or interrupt them to stop an at-risk behavior. This program is designed to keep safety top-of-mind for everyone at all times.



At the July 2002 summer picnic, Denver employees received new T-shirts reminding them to put safety first. Wearing their new shirts are, from left, Dillen Reed, Uriel Rodriguez, Frank Silve, Arnulfo Villalba, Fidel Garfio and Raymond Lopez.

## Safety Awards

### Directors' Award of Safety Excellence

The Koppers Directors' Award of Safety Excellence is given to Koppers plants where employees have worked 100,000 hours or one year with no injuries (OSHA recordable cases or workers compensation cases), or chargeable motor vehicle accidents. In 2002 awards were earned by:

- In the U.S.: Somerville, Texas, Roanoke, Va., (third award), Grenada, Miss., (second award) and Harmarville, Pa. (second award)
- In Australasia: Koppers Arch, Port Shepstone, South Africa
- In Europe: Port Clarence, U.K. and Totton, U.K.

### Boot Strap Awards

Boot Strap awards are based on improvement in safety performance as determined by the number of injuries and hours worked during the program year, compared to a three-year base period. In 2002, these facilities received Boot Strap awards.

- In the U.S.: Alorton, Ill., Stickney, Ill., Montgomery, Ala., Roanoke, Va., North Little Rock, Ark., Distribution Yard Services, Pittsburgh, Pa., Grenada, Miss., and Logansport, La.
- In Australasia: Koppers Arch locations throughout Australia
- In Europe: Scunthorpe, U.K., Port Clarence, U.K. and Totton, U.K.



### Milestones

In addition, three Australian facilities made significant progress in their safety performance.

- The Hume, ACT plant passed 2,600 days of no injuries in May 2002, marking seven years without an accident since the plant's opening.
- The Bunbury, WA plant passed 1,160 days free of lost time accidents, surpassing its previous record of 1,069 days.
- Mayfield, NSW passed 660 days free of lost time accidents, surpassing its previous record of 344 days.
- In the U.S., Alorton, Ill. completed twelve months and more than 100,000 hours worked without a recordable accident and Portland, Ore., completed its eighth year without a lost time accident.

### External Safety Recognition

- Twelve Koppers U.S. plants qualified for the National Safety Council's 2002 Excellence Achievement Award: Alorton, Ill., Clairton, Pa., Green Spring, W. Va., Grenada, Miss., Guthrie, Ky., Harmarville, Pa., Portland, Ore., Roanoke, Va., Superior, Wis., Denver, Colo., North Little Rock, Ark., and Florence, S.C. (Criteria: Completing 12 months with a lost work case rate less than one-half the rate for its SIC Code. Each location must also demonstrate that it has systems that build a workplace culture that focuses on safety.)
- Koppers was one of 29 recipients of Norfolk Southern Railroad's 2001 Thoroughbred Chemical Safety Awards, winning special recognition for handling at least 1,000 carloads of hazardous materials without incident. Koppers won this award in 1996 and 1997, as well.
- Koppers also won an award for safe transportation of hazardous materials on Kansas City Southern Railroad lines in 2001.
- The Stickney, Ill. plant received the CN Railroad's Safe Handling Award for the third year in a row.



# Enhancing Employee Health

In 2002, the company continued to follow up with the more than 500 U.S. employees who participated in the 2001 Koppers Health Bowl. This health survey helped employees better understand how to maintain their well-being and live healthier lives.

Each participant received a Personal Wellness Profile (PWP) from Highmark, a Pennsylvania health insurance company. At 17 U.S. plants, Highmark conducted screenings for blood pressure, glucose and cholesterol.

The Health Bowl survey results showed that Koppers employees' health is on par or better than average Americans in most categories. However, like many "average" Americans, some Koppers employees could be at risk for heart disease, diabetes and stroke. As a follow up in 2002, these employees were given additional opportunities to improve their health and practice preventive medicine, use reference manuals and toll-free health hotlines. The Health Awareness program, a valuable tool combining personal responsibility with knowledge and support, will be repeated in 2003.

## Other Health and Safety Initiatives

In 2003, the Koppers Safety Department will implement quantifiable and behavior-based safety targets to track improved safety performance, conduct Supervisor Safety Leadership Training, and seek to increase participation in the employee health survey.



Exercise is the plan for energetic co-workers at Koppers Nyborg, Denmark, who jump on their racing bikes and ride along the long, hilly roads of Funen for fun and competition.



## Community Involvement

To build trust and credibility in their neighborhoods, 12 Koppers plants have formed Community Advisory Panels (CAPs). The CAP members represent a cross section of the community, including businessmen, retirees, educators, religious leaders, police and firefighters.

Each group sets its own agenda, but the overall goal is to learn more about Koppers, and how the plant and the community may work together more effectively. CAP members at Koppers plants in Roanoke, Va., Florence, S.C., Gainesville, Fla., Grenada, Miss. and other locations toured the plants to learn about operations. During 2002, several CAPs also learned how Koppers handles emergencies. The new Follansbee, W. Va. CAP heard presentations on plant improvement projects and new equipment. In Woodward, Ala., discussions at the first CAP meeting focused on Koppers employees and environmental responsibilities.

CAPs meet regularly during the year, providing a forum for the open exchange of ideas. In turn, Koppers learns how it can benefit local municipalities and become more involved in community concerns.

## Social Responsibility through Local Actions

Koppers helps to build strong communities by supporting social service programs, and by donating materials or labor for infrastructure improvements and new facilities. In addition, Koppers plants support Scout troops, sponsor baseball teams and assist local schools.

- The fabricating shop of the Guthrie, Ky. plant built a pedestrian bridge as part of a walking trail for the city.
- In Logansport, La., the town rehabilitated existing water storage structures with a \$1,500 donation from Koppers.
- Koppers Arch raised \$1,605 for charities in New Zealand, Australia and South Africa by auctioning off signed rugby jerseys at special events.
- Koppers donated 40,000 square feet of coal tar roofing materials to reconstruct the portions of the Pentagon roof that were destroyed during the September 11, 2001 terrorist attacks. The Pentagon's original coal tar built-up roof lasted nearly 60 years, and has been replaced by a matching roof system, part of a project coordinated by the National Roofing Contractors Association.

Koppers employees volunteer for children's and other non-profit organizations, raising money for causes they value. Individual efforts are appreciated by Koppers, which gives employees paid time off to volunteer.

In 2002, Koppers Pittsburgh and Harmarville employees donated \$70,105 to United Way of Allegheny County. Fourteen Pittsburgh-area employees participated in the United Way Day of Caring volunteer program.



Koppers employees in North Little Rock won the "Volunteer of the Year" award from the North Little Rock School district for their ongoing participation in the Read-A-Loud program at Glenview Elementary School. In October, plant employees John Henderson, far right, and Dianna Midkiff, center, back row, visited the children to judge their writing of "Spooky Halloween" stories.



Members of the Follansbee, W. Va. CAP visited the plant in November 2002. Stacey McKinney, Operations Superintendent, points out systems monitors during the tour.



Andy Noble, regional sales manager and Clyde Henry, manager, Commercial Roofing, represented Koppers on the Pentagon site. The project was completed in August 2002.

Koppers, with its corporate headquarters in Pittsburgh, is a global integrated producer of carbon compounds and treated wood products for use by the utility, construction, railroad, aluminum, chemical and steel industries. Koppers operates 39 locations in the United States, China, Europe, Australia, New Zealand, Malaysia and South Africa, employing more than 2,000 people worldwide.

Koppers businesses are:

Carbon materials and chemicals, including carbon pitch, carbon black, creosote, phthalic anhydride, refined tars, specialty chemicals and commercial grade roofing products.

Railroad products, utility poles and pilings, including pressure treated wood products and services to the railroad industry, utility poles to the communications and electric industries and treated wood materials for commercial construction.

Sales for 2002 increased to \$730.3 million, from \$707.6 million in 2001.

Koppers was established in December 1988 as a management buyout of carbon materials and wood treating assets from Koppers Company, Inc. The company's stock is owned by a large number of employee investors and by majority equity owner Saratoga Partners of New York, N.Y.

**At Koppers we are working to make today  
and tomorrow safer for our employees,  
communities, customers and the environment.**





## Worldwide Operating Locations

### Corporate Headquarters

Pittsburgh, Pa.

Technical Center

Harmarville, Pa.

### North American Operations

Carbon Materials and Chemicals

Clairton, Pa.

Follansbee, W.Va.

Monessen, Pa.

Portland, Ore.

Stickney, Ill.

Woodward, Ala.

Railroad Products and Services

Alorton, Ill.

Denver, Colo.

Galesburg, Ill.

Green Spring, W.Va.

Guthrie, Ky.

Montgomery, Ala.

Muncy, Pa.

North Little Rock, Ark.

Roanoke, Va.

Somerville, Texas

Superior, Wis.

Utility Poles and Piling

Florence, S.C.

Gainesville, Fla.

Grenada, Miss.

Logansport, La.

### European Operations

Headquarters: Scunthorpe, U.K.

Carbon Materials and Chemicals

Port Clarence, U.K.

Scunthorpe, U.K.

Totton, U.K.

Nyborg, Denmark

### Australasian Operations

Headquarters: North Sydney, NSW

Wood Products

Brisbane, QLD

Bunbury, Picton, WA

Grafton, NSW

Hume, ACT

Longford, TAS

Manila, Philippines

North Sydney, NSW

Takura, QLD

Thornton, NSW

Carbon Materials and Chemicals

Mayfield, NSW

Continental Carbon Australia

Kurnell, NSW

### Joint Ventures

Koppers China Carbon and Chemical  
Co., Ltd. Tangshan, China

Koppers-Arch Wood Protection  
Australia, Malaysia, Fiji, New Zealand  
and South Africa

KSA, Portsmouth, Ohio

**Koppers Inc.**  
**436 Seventh Avenue**  
**Pittsburgh, PA 15219-1800**  
**412-227-2001**  
**[www.koppers.com](http://www.koppers.com)**