The employees of Koppers come from many nations and cultures. Yet we are united in our desire to feel connected to something larger. Offering people a safe, goal-oriented and inclusive workplace is one way Koppers creates that connection around the world. Joining together to achieve a more sustainable way of working is another. Our shared commitment to innovation, compliance and mindful environmental practices that minimize our impact on the Earth has brought the people of Koppers together like no other time in our company’s history.
As Koppers continues to evolve as a strong global company, it is only natural that we focus heavily on corporate growth. But in addition to having a clear growth strategy, we also believe it is important to be conscientious. That is why responsibility plays such a key role in our vision for the future.

In short, we believe that working responsibly is at the heart of who we are as a company. It is something our stakeholders demand from us…and we all demand from ourselves.

To that end, we have placed increasing emphasis on leadership here at Koppers. As a company, we obviously value the leadership position we enjoy in our primary markets around the world. But we also value individual leadership, so we have made it a priority to set higher expectations for ourselves than ever before. We have asked our managers to step up and accept new levels of responsibility for safety, health, and environmental performance. We have asked our employees to recognize and embrace the key role they play in keeping themselves, their co-workers and their neighbors safe. We have also asked them to do this with a renewed sense of urgency, a heightened sense of collaboration and with an unwavering emphasis on open and ongoing communication.

I am proud of the way the loyal, talented and dedicated people of Koppers have risen to the challenge. We set very aggressive goals for our safety and environmental performance and, though we don’t always achieve those goals, I am gratified to see that our employees understand the interrelated nature of responsibility, compliance and conduct. Most of all, I am heartened to see how well they understand that good performance today is merely a stepping stone to better performance tomorrow, and that true leadership is the only way to achieve continuous improvement.

In the pages that follow, we hope to give our shareholders, employees, customers, regulators, suppliers and neighbors a sharper picture of the progress we continue to make. We trust that you will agree that when leadership begins at the personal level, it has the power to make a world of difference.

Walter W. Turner
President and Chief Executive Officer
Koppers Inc.
Creating a Culture of Compliance

Through our Code of Conduct, Koppers management expresses the company’s commitment to building and strengthening a culture in which compliance is only the beginning; where both compliance and ethical business behavior are a way of life for every Koppers employee. The Koppers Code of Conduct defines the primary legal and ethical policies that apply to all employees. Whether facing questions about conflicts of interest; financial integrity; antitrust compliance; or environmental, safety and health issues, Koppers employees look to the Code of Conduct for guidance and information to navigate the difficult issues that confront businesses today.

Training Employees to do what’s Right

At Koppers, our goal is to build a culture in which compliance and business ethics are a way of life and a way of thinking for all of our employees. So each year, in every facility around the world, we provide mandatory ethics and compliance training that reinforces the Code of Conduct principles and gives employees a consistent, uniform and timely understanding of pertinent ethical, legal and compliance issues. In addition, it’s an opportunity to engage in constructive conversations with management.

Listening and Responding to Employee Concerns

At Koppers, giving our employees control of their own corner of the world is a top priority. Our Open Door Policy: Koppers encourages employees to speak directly and openly about any issue regarding health, safety, the environment, compliance or employee conduct. Supervisors are expected to take a leadership role in investigating and addressing all concerns promptly and thoroughly.

Compliance Reporting

Koppers provides a toll-free Compliance Line for employees. Questions or issues may be raised anonymously and are reviewed and investigated promptly by the appropriate personnel.

Independent Ombudsman

We also retain an independent third-party ombudsman to serve as a contact point for employees wishing to report a corporate or workplace concern. Making sure employees have a place to go to report a problem is at the heart of this program.

“We work as a team. When we’re here, it’s as if we’re family and we take care of each other. We older guys look out for the younger guys to make sure they understand the impact of what they’re doing and that they take safety and compliance seriously. There’s always room for improvement, but we have a good safety record and we’re getting better every day.”

Otis Jones
Loader Operator
Gainesville (US)
Koppers Safety, Health and Environmental Policy

At Koppers, we believe that protecting our employees and our environment go hand-in-hand. To safeguard our people as well as our planet, we strive for nothing less than excellence in our SH&E practices. By reinforcing open communication, awareness, accountability and best practices, we encourage innovative thinking that results in responsible use of our natural resources and products. We continually seek new ways to make a positive impact on the communities we call home.

MY WORLD IS

the town of Nyborg

Troels Persson
Fitter
Nyborg (DEN)

Working in Partnership with our Regulators

We diligently work to comply with the requirements of our regulatory agencies and to foster good relations with those agencies. The following is just a partial list of the many agencies that oversee Koppers operations around the world.

Australia
- Department of Primary Industries, Water and Environment, Tasmania
- Environmental Protection Agency Of Queensland, Victoria, New South Wales, Tasmania and Western Australia
- WorkCover of Queensland, Victoria, New South Wales, Tasmania and Western Australia

China
- Tangshan Administration of Work Safety
- Tangshan Administration of Environment Protection

Denmark
- Danish Emergency Management Agency
- Danish Environmental Protection Agency
- Danish Working Environment Service
- Municipality of Nyborg

United Kingdom
- The Environment Agency
- Health and Safety Executive

United States
- Coast Guard
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- Federal Railroad Administration
- Nuclear Regulatory Commission
- Occupational Safety and Health Administration
- Various State Environmental and Safety Agencies
At Koppers, we believe that reducing the impact of our operations on the environment is not just a good idea, it is good business. Thinking smarter, working cleaner and returning resources to our operations are at the heart of our commitment to sound environmental stewardship.

ISO 14001 Certification: Meeting the Highest Standard of Compliance
It’s one thing to talk about responsible and effective environmental management. It’s quite another to receive ISO 14001 certification, the global standard for responsible and effective environmental management. Beginning in 2003, Koppers facilities around the world began to receive ISO 14001 certification and today, virtually all of Koppers facilities are ISO 14001 certified and the rest are currently in the process of receiving certification.

“As the plant’s Environmental Manager, I try to set a good example. For instance, beyond overseeing all the compliance issues and industrial waste recycling, I instituted a ‘green bin’ recycling program for the glass, aluminum, plastic and paper we use at the plant every day. It not only reduces our waste costs, it reminds employees to think about their individual impact on the environment. Walking the talk is important — I even drive a hybrid fuel vehicle.”

MY WORLD IS
planet Earth

Stephanie Flynn
Environmental Manager
Stickney (US)
“My job is to clean the drip pads. It has to be done every day, because we don’t want creosote touching the ground. I try to keep everything clean and make sure I take proper precautions, including wearing a Tyvek suit. Because we work with chemicals, we all need to be very aware of working safely.”

Anita Reynolds  
Environmental Technician  
Guthrie (US)

“Even though we haven’t had a lost time injury at Scunthorpe in three years, we can’t assume we’re doing everything right. We have to continue to improve and support the policies that are in place. Our plant is the cleanest it’s ever been. We are putting scrubbing systems in place to eliminate fumes and particles in the environment. But there’s always room for improvement, and we have to keep that in mind.”

Trevor Candy  
Day Supervisor  
Scunthorpe (UK)

“Studying the Environmental Impact of Treated Wood
In 2007, Koppers became a key participant in the first-ever “lifecycle analysis” study of treated wood undertaken by the Treated Wood Council. Conducted to determine the full environmental impact of the production, transportation, use and disposal of treated wood, the wide-ranging study will focus on energy requirements, environmental impact, carbon inventory and water consumption.

Koppers believes that this in-depth study, which will be independently peer-reviewed and published, can help identify best practices and alternatives throughout the wood treating process.

New Greenhouse Gas and Air Initiatives Underway
To combat global warming, Koppers has implemented several new initiatives that make sense for the company and for the environment. For example, in the United Kingdom, Koppers receives an 80% discount on the Climate Change Levy fuel tax for reducing energy consumption to within the specified target range — the result of our installing variable speed drives, flue gas oxygen control and thermographic surveys of tank and pipeline insulation. In addition, we have instituted a new five-year plan to create a global standard for air emissions reporting and measurement.

“I’ve worked at this plant for more than 15 years. Over the years I’ve seen a lot of positive change. We have new and better ways of doing things, and we spend a lot of time making sure we comply with the laws, which are always changing and much tougher now.”

Christopher Arredondo  
Hydraulic Loader Operator  
Somerville (US)

“We are strongly committed to compliance issues at our plant and we’re always looking for new ways to make improvements. Keeping everyone safe is a serious issue; if one person is injured, it affects not just that individual, but also the plant, the company and his or her family. And because spills or emissions can affect the environment, we emphasize continuous diligence, every day.”

Jeff Bass  
Maintenance Leadman  
Grenada (US)

Global Facility Highlights

Stickney Facility Receives Governor’s Pollution Prevention Award
In 2007, the Koppers Stickney, Illinois facility was honored by the state of Illinois for implementing several pollution prevention projects that reduced its annual hazardous waste generation, natural gas usage and electricity consumption. To both increase product yield and reduce hazardous waste, the plant added exhaustors to the phthalic anhydride refining process. To reduce natural gas usage, the plant added a vapor ejector system to the stripping column, which allowed one of its waste streams to be used as fuel. And finally, with technical assistance from the Illinois Waste Management & Research Center and U.S. Environmental Protection Agency’s Great Lakes National Environmental Protection Agency to complete a number of important improvements at the Port Clarence facility, including the design and construction of a new scrubbing system to reduce emissions of naphthalene from the facility’s storage tanks. Completion of that project is expected in early 2008.

Two Facilities Initiate Facility-wide Leak Detection
The Follansbee, West Virginia and Clairton, Pennsylvania locations’ leak detection and repair programs were expanded in 2007. Previously employed only in regulated areas, the detection process is now facility-wide and requires weekly visual inspections and periodic testing to find and repair any faults. The goal is to prevent the emission of vapors at the earliest possible stage.

Port Clarence Facility Makes Substantial Upgrades
In the United Kingdom, Koppers is working with the Environment Agency to complete a number of important improvements at the Port Clarence facility, including the design and construction of a new scrubbing system to reduce emissions of naphthalene from the facility’s storage tanks. Completion of that project is expected in early 2008.

Nyborg Institutes Major Noise Reduction Improvements
In Denmark, the Nyborg facility is completing the final phase of an ongoing noise reduction initiative to comply with the Environmental Agency’s recommended levels. An exhaust silencer was mounted on the filter unit (heat oil system), two pumps were replaced with quieter pumps and noise absorption technology was mounted on two remaining pumps. New residential housing in the area could be constructed near the facility as a result of the lowered noise levels, which has already created positive economic development for the neighboring community.

Nyborg (DK)
HEALTH & SAFETY

Once again, Koppers stepped up in 2007 to strengthen an already effective health and safety program. To assure adherence to the most stringent industry and regulatory standards, we involve our employees at every phase of our operations, from ongoing training for production workers to yearly safety coaching and education for our managers and SH&E staff. We audit our operations regularly, track issues and follow up to ensure corrective action is complete.

New Companywide Safety Training and Initiatives

In 2007, Koppers conducted extensive and thorough safety, health and environmental training for its employees worldwide. In Australia, behavioral safety training seminars taught employees to recognize safe behavior and how to properly intervene in the event of unsafe behavior. In the United States, front-line supervisors attended training on accountability and taking a leadership role in their facilities. In addition, hourly safety committee workers convened to discuss accountability, past performance and anticipating and investigating accidents. Other topics included permitting, confined space entry, hazard communications and understanding Material Safety Data Sheets (MSDSs).

And finally, on a global level, safety committees from each facility came together for a series of timely and informative discussions that required members to define their five most hazardous activities and evaluate the controls currently in place to mitigate potential risk.

“我们一直在努力以建立一种安全文化。我们清楚地告诉员工：不要冒险……遵守程序……参与安全培训。所以我们的工厂才会不断改进。我们的工作理念已经从‘快一些工作’转换为‘安全地工作’。”

Robin Zhu
General Manager
Tangshan (China)

“We are constantly working hard to build a culture of safety. We make our expectations clear: do not take risks...follow procedures...and take part in ongoing safety discussions. As a result, conditions at our plant have improved greatly. We have shifted from a mindset of ‘working quickly’ to a mindset of ‘working safely.’”

Training Promotes Safety as a Way of Life

Koppers believes that the common-sense objectives of workplace safety and home safety complement each other and can improve the quality of life for all employees. By educating employees on physical and chemical hazards, exposure and risk and providing them with the tools to manage these issues, we are enabling Koppers employees to not only understand and comply with workplace regulations, but to also live healthier and safer lives outside the workplace.
Nyborg Facility Improves Fire Safety Testing

To ensure maximum performance of its fire safety system, the Nyborg, Denmark facility has converted a storage tank to serve as the plant’s emergency water supply in case of fire. Previously, the system could only be tested by using seawater, which caused substantial corrosion of the pipes. By using freshwater from the designated firewater tank, the plant can conduct tests more frequently without damage to the system. And with a new fire pump installed on the tank, it is prepared for a worst-case scenario.

REACH Ensures Greater Safety in the Manufacture and Use of Chemicals

Koppers is fully engaged in the European Commission’s REACH program, which came into force in 2007 and legislates the registration, evaluation and authorization of more than 30,000 chemical substances. Working with the European Chemical Industries Council, Koppers is on track to meet all deadlines for compliance, thereby ensuring the registration and continued availability of our products. Koppers is committed to this important legislation.

Koppers Receives Multiple Awards for Railroad Safety

For the seventh time in twelve years, Koppers has been awarded Norfolk Southern’s Thoroughbred Chemical Safety Award. The awards are given annually to companies who ship more than 1,000 railcar loads of hazardous materials on the Norfolk Southern railway during a calendar year without any shipper-caused incidents. In addition, the Koppers facility in Stickney, Illinois was a repeat winner of the Canadian National Railroad’s Safe Handling Award. Considering that more than 3,000 cars per year are handled at Stickney, the facility is proud to receive this honor once again.

National Safety Council Awards

Australia
- Brisbane, Queensland
- Bunbury, Western Australia
- Grafton, New South Wales
- Thornton, New South Wales

China
- Tangshan, Hebei Province

Denmark
- Nyborg

Philippines
- Manila

United Kingdom
- Scunthorpe, North Lincolnshire

United States
- Clairton, Pennsylvania
- Follansbee, West Virginia
- Gainesville, Florida
- Grenada, Mississippi
- Harmanville, Pennsylvania
- Portland, Oregon
- Portsmouth, Ohio
- Stickney, Illinois

“I was severely injured 15 years ago, so I’m 100% committed to safety at work. I’m on the safety committee and we hold weekly mandatory meetings for all employees. We discuss a variety of safety topics and discuss any questions or concerns. We take environmental issues seriously. In our co-generation facility we burn used railroad ties and that steam generates power for the facility and for the treatment of new ties. So we’re very aware of compliance on many levels.”

Mike Shannon
Turbine Operator
Muncy (US)

“Koppers has a strong SH&E policy and we’re committed to it. Whenever you feel you need additional resources in that area, you get what you need, right away. In our daily staff meetings, even before we discuss production, we start out with a safety or environmental issue. To us, SH&E awareness is not just a philosophy, it’s a practice.”

Brian Fralin
Treaty and Bridge Mill Supervisor
Roanoke (US)
"I am so grateful for the support of my fellow employees. When my family was in need because of a personal tragedy, I was amazed how many folks came forward with support and donations. Their emotional and financial help allowed us to get back on our feet again and we will never forget their kindness."

Franklyn McInnis
Pole Inspector
Florence (US)

At Koppers, we’re proud of our history of providing fair treatment, competitive wages and equal opportunity for our employees worldwide. Through responsible human resource practices, Koppers strives to be an employer of choice around the world. It is our policy to offer employment opportunities based solely upon an individual’s qualifications and skills, without regard to non-job-related conditions or characteristics. We maintain good relationships with our labor unions and value our diverse workforce.

Educating Employees to Reach their Highest Potential
Koppers believes in developing and maintaining a workforce that possesses the necessary skills to succeed in today’s competitive business climate. To that end, the company has instituted continuing education programs in Australia, Europe and the United States. With tuition assistance from Koppers, our employees receive the supplemental training they need to excel in their chosen fields.

Diversity at Koppers
We strive to be inclusive in activities involving our employees, products and outreach to the community. We do this through hiring practices, training opportunities, and international exchange.

Talent Acquisition and Retention
Koppers continues to expand the company’s outreach to create a culture of inclusion and personal fulfillment and to attract and retain the most talented professionals in their fields.

"Because of the Koppers Education Assistance Program, I am pursuing a master’s degree in Leadership and Business Ethics at Duquesne University. Not a lot of companies offer 100% tuition reimbursement, but Koppers values their employees and their futures. The company has provided a very supportive environment that has helped me excel in this degree program."

Elizabeth Ossler
Purchasing Agent
Pittsburgh (US)

"When our house burned down, Koppers employees stepped up to help. Our plant manager got on the phone, put the word out and soon people were sending us checks to help us get by. My wife, our 7-year old child and I were staying in a motel and the donations were much needed and much appreciated. We received donations from co-workers, top management in Pittsburgh and employees I have never met. It really meant a lot to us."

Erik King
Grade Station Operations
Gainesville (US)
At Koppers, we believe that open communication and collaboration with our neighbors is the key to maintaining the good standing and credibility we enjoy in the communities where we live and do business. By providing high quality jobs that contribute economic and social stability, we are improving the quality of life in the neighborhoods that surround our facilities. Keeping our neighbors informed; engaging in educational partnerships with local schools; making substantial donations at the corporate, facility and individual levels; and encouraging employee giving are just a few of the many ways we give back to our communities around the globe.

Community Advisory Panels Create Neighborhood Dialogue
With the addition of two new Community Advisory Panels (CAPs) in Guthrie, Kentucky and Portsmouth, Ohio, Koppers now has 16 such forums to encourage open and ongoing communication with neighbors who live around our facilities. CAPs are comprised of local citizens representing a cross-section of each community who agree to meet with Koppers management on a regular basis to discuss the facility’s impact on the community. It is an opportunity to engage in straightforward dialogue that builds mutual rapport, respect, trust and confidence. In response to CAP feedback, facilities investigate and report back on any unresolved issues at the next meeting.

Ongoing Emergency Exercises Help Keep Communities Safe
In 2007, Koppers facilities conducted a total of ten emergency exercises and simulations to put our employees’ knowledge into action. A full-scale disaster exercise conducted at the facility in Guthrie, Kentucky engaged local first responders in a valuable real-life dramatization. In addition, simulated “tabletop” exercises at other facilities allowed Koppers officials and local emergency personnel to discuss the facility’s emergency plan in the event of a wide variety of crisis scenarios. These verbal “walk-throughs” bring facilities and community first responders together on a regular basis to assure emergency preparedness.

Giving Back is at the Heart of Koppers Culture
Around the world, each Koppers facility makes its own decisions about where and how to give back to the community it calls home. In our corporate hometown of Pittsburgh, Pennsylvania, Koppers is a committed donor to a variety of groups that include environmental, educational, arts and family services organizations.

“Caring for the environment is an important national issue in Australia. I don’t want to be the person responsible for destroying our corner of the Earth, and neither do any of my co-workers. When you have residents just 400 meters from the plant, they don’t want to worry about what’s going on here, so we work very hard to be a good, responsible and compliant neighbor.”

Wayne Tacon
Leading Hand Yard
Newcastle (AUS)
CUSTOMER SERVICE & ACCOUNTABILITY

MY WORLD IS the relationships we develop

“Throughout our company, Alcoa places great value on sustainability. We appreciate suppliers such as Koppers who work with us as a true partner and share our belief that working responsibly is a long-term commitment not to be taken lightly.”

At Koppers, we don’t believe it is enough to simply meet a customer’s expectations. If we did, we wouldn’t have such long-lasting relationships with the companies who rely on us every day. Instead, we believe in exceeding expectations on multiple levels. Whether it’s actively managing a customer’s inventory, taking calls in the middle of the night during a storm emergency, or handling a customer’s logistics needs, we forge strong partnerships that stand the test of time. It’s the way we’ve always done business, and the way we always will.

“Our job is to work alongside each customer as their partner, to become part of their team and one of the key resources they rely upon to do their jobs. And our customers do rely on us: they rely on our ability to procure raw materials at favorable rates; to make a consistent, high-quality product every time; to operate each of our facilities in a fully responsible manner; to facilitate or secure optimized logistics; to deliver the most up-to-date technical and product support; and to provide prompt, professional and informative customer service at every step of the process. When we do our job right, selling is easy. And in that regard, every Koppers employee knows he or she is an integral part of the sales team.”

Don Evans
Vice President, Global Marketing, Sales and Development
Carbon Materials and Chemicals
Pittsburgh (US)

“We have an excellent track record of partnering with our long-standing customers. Customers trust us to look after their best interests. We have performed consistently over the long term and it is this performance that our customers have come to expect and depend on. Our growth has been spurred in part by an old adage of listening to what the customer is asking for and then delivering on that request.”

Tom Loadman
Vice President and General Business Manager
Railroad Products and Services
Pittsburgh (US)

“We deliver more than our customers expect is where Koppers really excels. Day-in, day-out, we look ahead at what our customers need and respond without having to be asked. We know them that well. Whether it’s proactively looking at their inventory and anticipating their needs, placing our supply yards within easy access to their locations or managing the logistics to deliver their poles on-time and directly to the final destination, we go over and above. That’s what really drives us.”

Fran Wisniewski
Vice President and General Business Manager
Utility Poles and Piling
Pittsburgh (US)

“Customer service is a long-term Koppers commitment that is entrenched in our culture. In our industrial markets, customer service continues to differentiate us from our competitors. Every customer interaction offers our employees an opportunity to recognize our customer needs and develop strategies to support our business and marketing plans. We have seen time and time again by working closely with our customers that there are benefits to all parties. And customer service can be found at every level of our company.”

Mark McCormack
Vice President, Australian Operations
North Sydney (AUS)

Christine Breves
Chief Procurement Officer,
Alcoa
Pittsburgh (US)
Environmental Benefits

With this report alone, the following are the savings derived from using post-consumer recycled fiber in lieu of virgin fiber:

- 10.56 Trees not cut down
- 30.49 lbs. Waterborne waste not created
- 4,486 gallons Water/wastewater flow saved
- 496 lbs. Solid waste not generated
- 7,480,000 BTUs Energy not consumed

The following are the savings derived from using wind energy:

- 508 lbs. Air emissions—CO₂, SO₂ and NOₓ not generated

The fossil fuel equivalent:

- 1,208 cubic feet natural gas