Koppers 2012 Sustainability Report

Published March 2013

Sustainability at Koppers: Doing things the right way

At Koppers, we know that building for the future requires a strong foundation. In this, our 2012 Sustainability Report, we report on the many ways we are addressing the environmental and social issues that our stakeholders care most about. We also discuss how we are guided by our core values and Strategic Priorities to ensure accountability for sustainable performance, manage risk and position ourselves to achieve long-term success.

We encourage you to explore this report, and welcome your comments on our efforts.

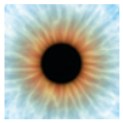
2012 Performance Highlights

We are pleased to report on our commitments and progress towards more sustainable operations.
Learn More.

About Koppers

We are focused on the safe, responsible and sustainable management of our products throughout their entire life cycle.
Learn More.

Our Approach to Sustainable Value Creation



Koppers Strategic Priorities guide our business decision-making and approach to sustainability.
Learn More.

Building Key Relationships

We seek to build strong, lasting relationships with the many stakeholders we come into contact with every day.
Learn More.

Innovation and Product Responsibility

We are focused on the safe, responsible and sustainable management of our products throughout their entire life cycle.
Learn More.

Safety, Health and Environmental Stewardship

We are committed to safety and operational excellence across our global facilities.
Learn More.

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CEO Message

To our stakeholders:

It is my pleasure to introduce Koppers 2012 Sustainability Report and to review the progress and commitments that we have made regarding the responsible and innovative growth of our company.

Koppers sits at the intersection of mature, industrialized markets and their rapidly developing counterparts in the world's emerging economies. Today, more than ever, our products play a critical role in the maintenance and expansion of global infrastructure, including railway transportation systems and the production of aluminum, steel, concrete and other building materials.

We are thus excited by opportunities for continued growth and change across our operations. For example, we are concentrating on identifying ways to serve the needs of emerging markets and repositioning our operations to maximize market share, margins and revenues. In 2013, the Carbon Materials and Chemicals business will break ground on a tar distillation facility, our third joint venture in China. Our Railroad and Utility Products and Services business will continue expansion into the South American market by delivering on a major treated crosstie contract with a Brazilian mining company.

Paving our way to the future: Koppers Strategic Priorities

As we build for the future, Koppers Strategic Priorities guide our business decision-making and approach to sustainability. We have made important progress in institutionalizing the Koppers Strategic Priorities, and use them as a foundation for corporate goal-setting that is then cascaded down into individual employee commitments.

In this past year, we have given particular attention to the Koppers Priority of Working as One Global Team. With a culturally and geographically diverse workforce, we are developing new management systems that unify our data collection tools; standardizing processes and procedures; and maximizing the value of employee development efforts. We are also enhancing communication across our business, using our core values of excellence, respect, integrity and leadership to keep us on track.

Taking a leadership position with Responsible Care®

I am proud to note that in 2012, Koppers was accepted as a member of The American Chemistry Council (ACC) and will implement the Responsible Care® management system across our global locations over the next two years. This flagship leadership initiative, sponsored by the ACC and its equivalent chemical associations worldwide, focuses on processes, procedures and accountability for the safe, responsible and

sustainable management of chemicals through their entire life cycle.

Responsible Care® reminds us of the continuing need to devote resources and attention to safety and operational excellence. We firmly believe that every incident and accident is preventable, and we are committed to vigorously responding to and learning from any operational interruptions and incident investigations. In the past year, we have faced a number of operational issues and have redoubled our efforts to ensure that robust maintenance, reliability, inspection and documentation systems are in place. This work is critical for protecting the health and safety of our employees and it is vital for preserving the relationships that we have built with the communities around our facilities.

Through local Community Advisory Panels, outreach and engagement initiatives and careful attention to compliance with all regulatory parameters, we strive to maintain an active and beneficial presence in our communities. In 2012, we supported the efforts of each of our facilities in holding a community-specific engagement that aligns with our philanthropic priorities. These KoppersCares! Day of Service events drew on the volunteer efforts of our employees and strengthened the partnerships we have established with local agencies and organizations.

Building for the future requires a strong foundation. We believe that our Strategic Priorities, our focus on doing things the right way and our attention to stakeholder needs and concerns will serve us well as we take our next steps forward. As always, we invite your feedback on our efforts.

Walt Turner
President and Chief Executive Officer
Koppers Inc.

2012 Performance Highlights

- Accepted as a member of The American Chemistry Council, with a commitment to implementing Responsible Care®—the chemical industry's world-class performance initiative.
- Achieved the best safety performance in Koppers history.
- Awarded a major contract to supply railroad crossties to a large Brazilian mining company, based on a successful audit of Koppers environmental performance, safety standards and accounting and financial practices.
- Received overall customer satisfaction ratings of "excellent" or "good" across both businesses.
- Provided an average of 45–50 hours of on-the-job, SHE and leadership training to each Koppers employee over the course of the year.
- Delivered product innovations including borate treatment to extend the life of railroad ties.
- Implemented projects to conserve energy use, reduce emissions, minimize waste and recycle water.
- Held KoppersCares! Day of Service events at 88 percent of facilities worldwide.
- Fully applied the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines at the C Application Level in the development of Koppers 2012 Sustainability Report.

About Koppers

Company Profile

Koppers Inc. is a leading global supplier of industrial carbon compounds and treated wood products for the aluminum, steel, chemical, rubber, railroad and utility industries. Our products provide reliable, sustainable solutions to many of the challenges of infrastructure development and the production of basic building materials.

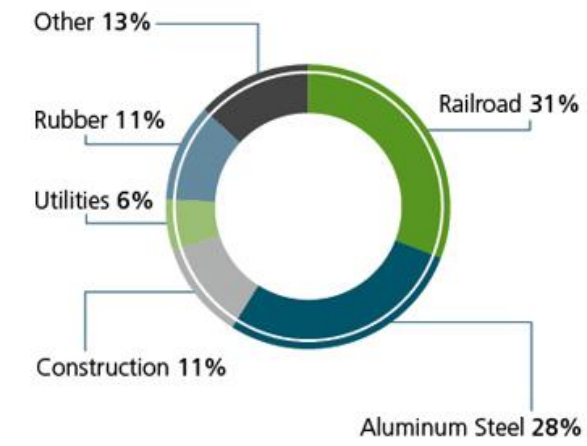
Koppers Company Profile

	2012	2011*	2010*
Net Sales ($ in millions)	1555.0	1466.2	1190.5
Operating Profit ($ in millions	126.6	122.7	98.1
Net Income (to Koppers) ($ in millions)	65.6	36.9	44.1
Point of Sale ($ in millions)			
North America	884	856	723
Australia	147	94	83
Europe	243	245	191
Emerging Markets	281	271	193

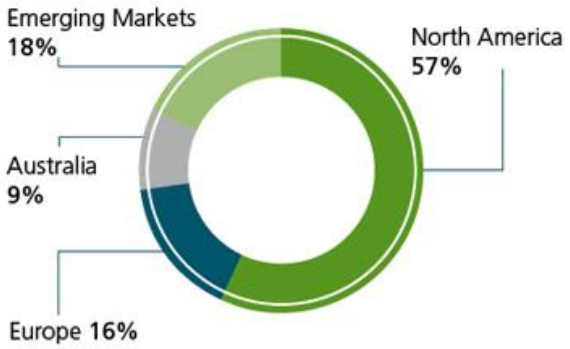
* Restated prior year financials to exclude discontinued operations

2012 Sales by End Market

(% of total sales)



2012 Point of Sale



Koppers has more than 1,600 employees working on four continents. We strive to meet our customers' needs through global alignment and a shared commitment to Koppers core company values:

- **Integrity** - Doing the right thing.
- **Respect** - Valuing each other.
- **Excellence** - Giving our best.
- **Leadership** - Showing the way.

These values represent the foundation of our company culture and our approach to value creation. They directly support the execution of Koppers Strategic Priorities and are essential to fostering company cohesion as we build for the future.

Koppers mission: "To be the most valued supplier of quality products and services in the industries we serve, by providing unsurpassed personal attention to our customers and attaining total quality in everything we do."

Business units and products

Koppers has two major operating business units: Carbon Materials and Chemicals (CMC) and Railroad and Utility Products and Services (RUPS). Through our CMC business, we process coal tar into a variety of chemical compounds used in the production of aluminum, steel, concrete, rubber, plastics and for the pressure treatment of wood. Through our RUPS business, we provide treated wood products to the railroad, telecommunications and utility industries around the world.

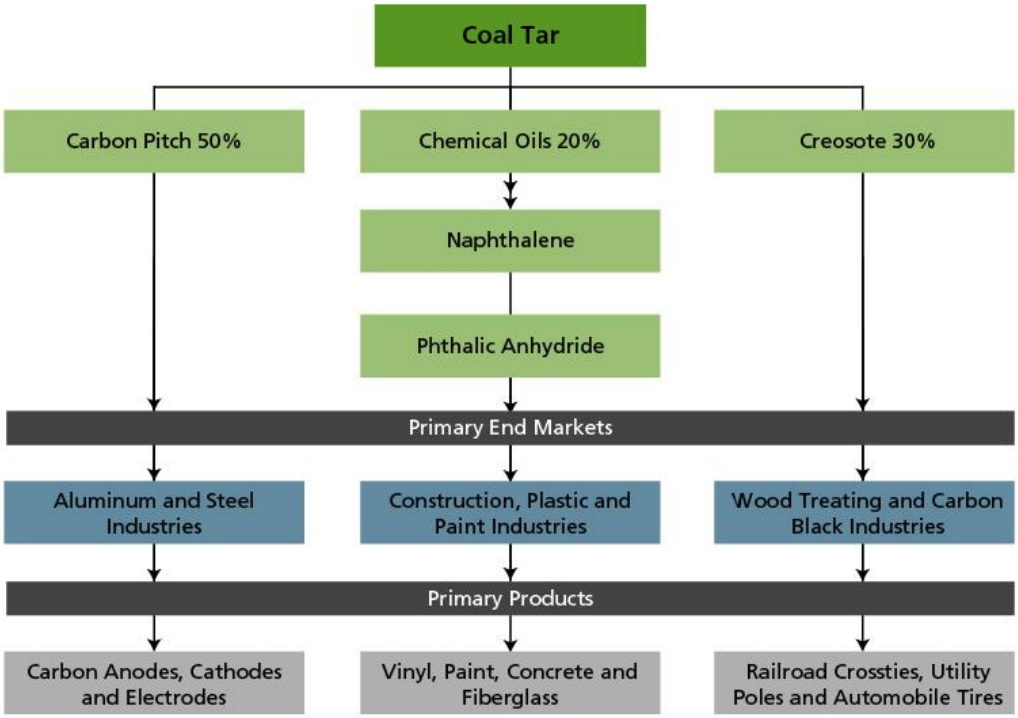
Carbon Materials and Chemicals

Koppers CMC product development begins with coal tar, a by-product of the coal coking process used for steel and iron manufacturing. Coal tar distillation involves the heating and vacuum separation of coal tar into carbon pitch, chemical oils and creosote–three compounds from which all Koppers chemical products are derived. CMC products and industrial applications include:

- **carbon pitch** – a critical raw material used in the production of aluminum and steel
- **naphthalene** – used for the production of phthalic anhydride and as a surfactant in the production of concrete
- **phthalic anhydride** – used in the production of plasticizers, polyester resins and alkyd paints
- **creosote** – used in the treatment of wood
- **carbon black feedstock (CBF)** – used as a feedstock in the production of carbon black
- **petroleum pitch** – used in graphite electrodes, "clay pigeon" shooting targets, specialty carbons such as carbon fibers and Koppers Type A and Type B carbon pitches
- **carbon foam** – a graphite foam used as a heat sink and heat exchanger in thermal management applications

Vertically integrated operations

Koppers buys coal tar from over 60 suppliers in 12 countries and distills the tar into products for sale to over 1,400 customers in 50 countries



Coal tar derivatives appear in hundreds of products ranging from industrial commodities including resins, wood preservatives and carbon products such as electrodes, to construction materials like coatings, paint, roofing systems and consumer products including tires.

Koppers operates nine coal tar distillation facilities in Australia, China, Denmark, the United Kingdom, the United States and The Netherlands. Koppers has auxiliary terminals and distribution facilities in key chemical markets in North America, South America, Europe, Australia and China.

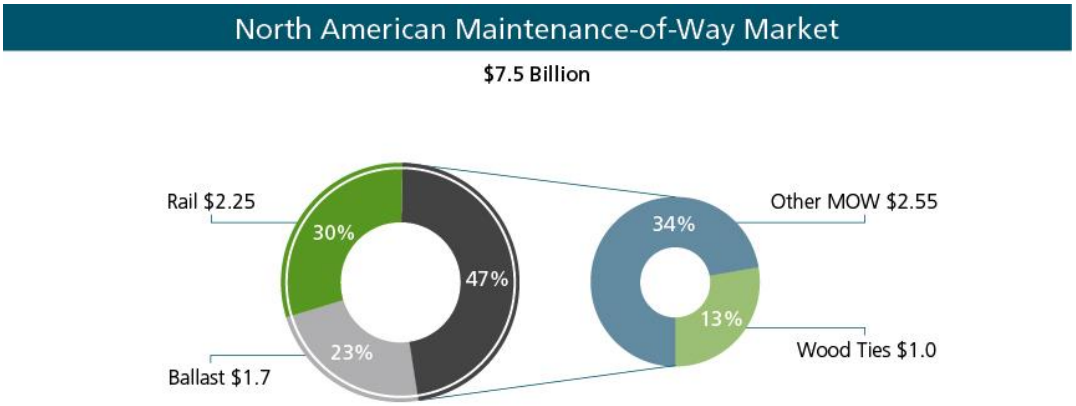
Railroad and Utility Products

Koppers RUPS business unit supports the key infrastructure needs of railroad and public utility markets in the Americas and Australia. Koppers is the single largest supplier of railroad crossties to the North American rail industry. The company treated and delivered approximately 10 million ties in 2012–equal to 3,000 miles of track. Koppers also produces a variety of railroad hardware and maintenance-of-way (MOW) components such as switch ties, track panels and rail joints and supplies a limited quantity of concrete crossties through a joint venture in the United States.

Our utility products are focused primarily on transmission and distribution poles for electric and telephone utilities and pilings used in industrial foundations, docks and piers. In 2012, we sold more than 155,000 utility poles–enough to run 6,200 miles of electrical distribution lines–and provided pilings for marine applications.

Koppers RUPS procures hardwood and softwood from sawmills throughout the United States and Australia. Our railroad crosstie products are milled from oak and other hardwood species and then treated at one of our 13 wood treatment facilities before shipment to customers. Utility poles are produced mainly from softwoods such as pine in the United States and from hardwoods of the eucalyptus species in Australia. Most of these poles are purchased from large timber owners and individual landowners and shipped to one of our pole-peeling facilities. While crossties are treated with creosote and borate, we treat poles with a variety of preservatives, including pentachlorophenol, chromated copper arsenate and creosote. To accelerate time to market, all of our RUPS facilities are located in proximity to key timber resources and the railroad or utility networks of major customers.

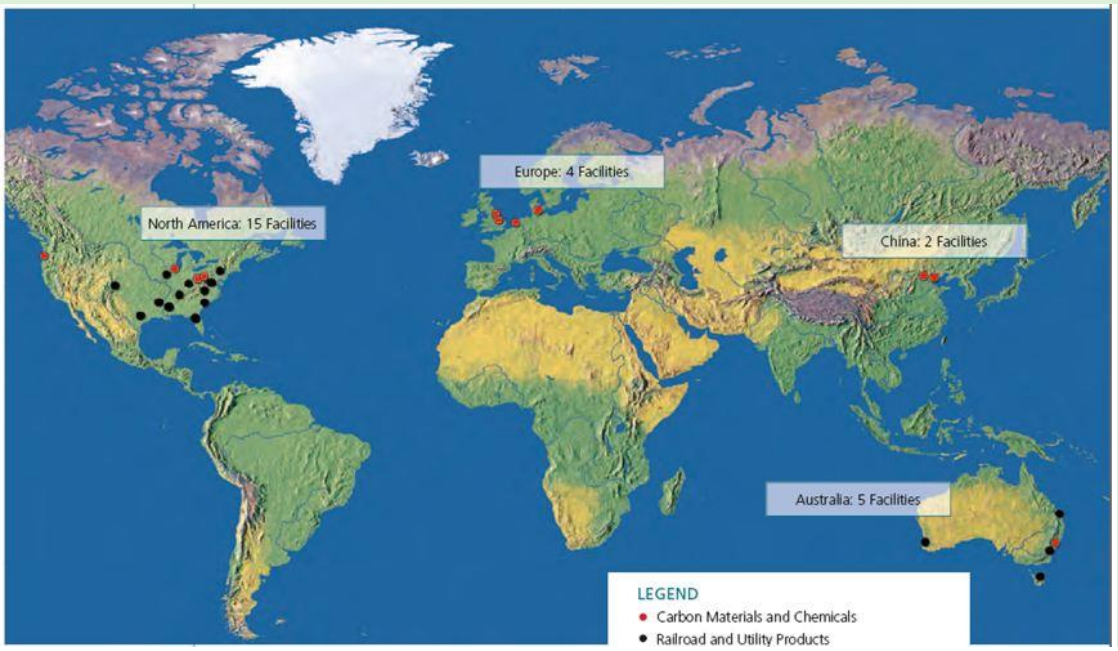
Koppers maximizes the usable lifespan of its wood products to help preserve timber resources and reduce customers' replacement costs. Our creosote and borate treatment processes increase the longevity of our products, which allows our customers to pursue development projects, sustainably, into the future.



Serving global markets

Koppers is a distinguished global leader in the markets it serves. We are a major supplier of railroad and utility products and the world's largest distiller of coal tar. Our business is rooted in the mature economies of North America, Western Europe and Australia–these regions also reflect where the majority of Koppers workforce, facilities and traditional customers are based.

Our global presence



In these developed regions, Koppers faces the challenge of sustainably growing its market share and profit margins amidst low–growth economic conditions. We believe that successfully competing under such constraints requires unwavering attention to full regulatory compliance, the efficiency of our operations, the quality of our products and the aligned efforts of our global workforce.

Related 2012 Corporate goal: Carbon Pitch – Grow with our largest end market

- **Growth in global aluminum consumption through 2017 will require 1.6 million additional metric tons of carbon pitch (CRU/Nov 2012)**
- **The proportion of CMC sales to emerging markets is expected to grow from 18 percent in 2011 to 30 percent by the end of 2015**
- **Koppers goal is grow its leading market share in supplying pitch to the aluminum industry**
- **Koppers will continue to pursue strategic opportunities to grow in emerging markets and consolidate in mature markets**

Koppers has steadily increased its exposure to business opportunities in South America, Asia, Africa, Australia and the Middle East. The CMC business is closely tied to aluminum and steel manufacturing industries, and the RUPS business is dependent upon infrastructure growth. Thus, we are exploring further opportunities for our business in regions poised for industrial expansion. This balanced coverage enables us to lay the groundwork for the continued growth of our company while helping us Maximize Shareholder Value.

Spotlight on China

A key element of our long-term growth strategy involves our expanding presence in Asian domestic and export markets. We believe our end-markets will continue to grow as Asian regional economies become more industrialized and consumer-driven.

Koppers has entered into a joint venture with the Yizhou Group to construct a tar distillation facility in Pizhou City, Jiangsu Province, China. The facility will ultimately be part of an integrated carbon production complex employing 100-150 people in three facilities, including the Koppers 300,000 metric ton coal tar distillation facility and two downstream facilities, owned by another company. The facility will produce needle coke, a high value product used in the production of electrodes for the electric arc steel making industry, and carbon black. The two downstream facilities will purchase the materials produced at the Koppers facility.

Our Approach to Sustainable Value Creation

A sustainable foundation

At Koppers, we operate in an increasingly complex global economy where understanding and effectively addressing our impacts, both positive and negative, becomes more important every year.

To better manage for sustainability across our operations, we undertook a comprehensive evaluation in 2010 and 2011 to identify and prioritize environmental, social and governance (sustainability) issues. Through the engagement of key internal and external stakeholder groups, we identified several topical areas representing Koppers most significant sustainability risks and opportunities.

At the same time, we took part in a parallel process to develop Strategic Priorities to guide our long-term business strategy. As we completed these planning efforts, we found that our highest priority sustainability issues mapped directly to Koppers Strategic Priorities.

The resulting framework of Strategic Priorities is now an integral part of Koppers processes for managing risk, ensuring accountability to key stakeholders and identifying opportunities to gain competitive advantage in the marketplace.

For a complete description of the evaluation and alignment process, please refer to the Koppers 2012 Sustainability Update.

Koppers Strategic Priorities	Key Sustainability Issues
Develop, Deploy and Engage our People - We will attract, retain and appropriately utilize an engaged workforce that has the knowledge, skills and desire required to support Koppers business goals.	**Employee Satisfaction Talent Management**
Safe and Healthy Workplace - We will foster leadership, employee engagement, cooperation and information-sharing among all parties in order to proactively identify and address risks and create and maintain a safe workplace.	**Safety, Health and Environmental Management**
Operational Excellence - We will implement business practices that result in modern, efficient and cost-effective facilities and optimize all functional areas and practices.	**Innovation**
Exemplify Corporate Citizenship - We will operate ethically and responsibly while valuing the social, economic and environmental standards of our communities.	**Community Engagement Ethics and Compliance**
Grow Target Markets - We will profitably grow target markets identified in Koppers corporate business strategy.	**Supply Chain**

Serve Customers Exceptionally - We will serve our customers with unsurpassed personal attention by providing quality products and services.	**Customer Relations and Product Stewardship**
Maximize Shareholder Value - We will act appropriately in order to increase long-term total shareholder return.	**Global Competitiveness**
One Global Team - We will work as one global team to accomplish our Strategic Priorities.	

Embedding sustainability in our thinking and processes

We believe aligning employee's performance goals with Koppers Strategic Priorities improves our company's prospects for long-term growth. We build sustainability-related goals into our employees' work objectives and assess their progress during annual performance reviews. Koppers also recognizes employees for their contributions to company-wide goals such as:

- Implementation of the Responsible Care® management system,
- Increasing energy efficiency to lower costs and reduce the environmental impacts of our operations,
- Establishing strong relationships and meaningful engagement initiatives in the communities where we operate.

Spotlight on disclosure

Koppers has publicly reported on corporate responsibility and citizenship performance since 2003. We have steadily strengthened our adherence to the Global Reporting Initiative (GRI) Guidelines in company reporting, including with regard to implementing more robust data collection systems. Our increased focus on issues prioritization has also helped to refine and contextualize our disclosures.

Governance approach

Board structure and composition

Koppers Board of Directors is broadly responsible for contributing to the strategic direction and oversight of the company. Koppers Board comprises the Chief Executive Officer and seven independent directors, including the Chairman, and four Board committees, including:

Board Composition	
Male board members	6
Female board members	2
Minority groups represented	2
Board members over age 50	8

- Audit
- Nominating and Corporate Governance
- Management Development and Compensation
- Safety, Health and Environmental

Koppers is subject to the NYSE corporate governance rules and certain rules of the Securities and Exchange Commission, including the rules relating to independent members on our board committees.

The duties and responsibilities of the Board, as described in the Koppers Corporate Governance Guidelines, are to:

- Ensure the legal, ethical and socially responsible behavior of the company;
- Develop effective performance measurement systems;
- Review the company's long-term strategy; and
- Oversee risk management processes.

As stewards of Koppers financial affairs and performance, our Board members communicate with shareholders and other stakeholders through financial reports, proxy statements and periodic filings. The Chairman of the Board and non-management directors can be contacted by mail at:

Koppers Holdings, Inc
Corporate Secretary's Office
436 Seventh Ave., Suite 1550
Pittsburgh, Pennsylvania 15129

Please visit the Koppers Corporate Governance website for more information.

Ethics and compliance

We expect every employee, manager, executive and director of the company to uphold the highest standards of ethics, compliance and transparency. Our goal is to act with honesty and integrity, across our global operations and in all business dealings. These expectations are set forth in the Koppers Code of Business Conduct and Ethics, which is a vital resource for the company and an integral component of our Ethics and Compliance Program.

Every year, our employees participate in Code of Conduct training. Relevant personnel also participate in an intensive, special training regimen covering antitrust and competition law compliance, export regulation and anti-corruption. Koppers employees also participate in a wide range of other compliance-related training throughout the year.

Download the complete Koppers: Code of Business Conduct and Ethics.

Building Key Relationships

Engaging with our stakeholders

Every day, our business operations bring us into contact with the many stakeholders who have an interest in our company and with whom we seek to build strong, lasting relationships. Through these stakeholder interactions, we aim to

- manage change,
- promote the greater integration of Koppers Strategic Priorities,
- enhance efficiency,
- maintain positive relationships,
- eliminate barriers to achieving Koppers business objectives, and
- communicate company challenges and achievements internally and externally.

Koppers key stakeholders include employees, carriers, suppliers, contractors, customers, regulatory agencies, community members, shareholders and emergency responders. We have shaped the content of this report to meet their information needs.

Koppers has embedded a comprehensive mapping of stakeholders, outreach methods and ways to measure the effectiveness of our interactions in the Koppers Safety, Health and Environmental Management System Manual. Because many stakeholder interactions take place at the facility level, we pay special attention to ensuring that facility managers are aware of their roles and responsibilities as related to stakeholder outreach.

Our Employees

With a total workforce of 1,660 people, Koppers maintains a lean global employee base. Our relatively small numbers (a typical facility may have no more than 50-60 employees) require that we work efficiently and ensure the most effective deployment of our employees' time and talents.

Koppers Employees 2012	By Region	Salaried	Hourly	Part-time	Management	Employee
United States	1,166	345	810	11	170	996
Europe	231	101	105	25	43	188
Australia	164	81	83	0	20	144
China	99	47	52	0	12	78
Totals	1,660	574	1050	36	245	1415

Growing our talent, expanding globally

As we build our global operations, we are carefully considering the skills and staffing we'll need to support expanded organizational structure. Through strategic hiring decisions, training, and the deployment of a new human resources information system, we are preparing our workforce for new demands-in essence, delivering on our Strategic Priority of Developing, Deploying and Engaging our People.

One area of particular consideration is the current demographic structure at Koppers. Nearly one-third of our veteran employees have worked at the company for more than 20 years, while another third of our employees represents newer hires who have five or fewer years of tenure. Our goal is to successfully train and integrate new employees, benefiting from their ideas and enthusiasm while ensuring that they are exposed to the institutional knowledge possessed by our senior employees.

Related 2012 Corporate Goal: Encourage employee engagement at all levels of the organization

Another focus area is the need to foster cross-cultural communication and understanding. As a large percentage of our business shifts to emerging markets, we need to prepare globally integrated employee teams to work smoothly with each other across multiple time zones, languages and cultural traditions.

Offering opportunities for training and development

Related 2012 Corporate Goal: Identify and conduct various training and developmental needs to support growth initiatives

Over the past year, we have placed a greater emphasis on our training and development agenda so as to provide employees with opportunities to hone specific

skills and abilities. One of our high-profile development initiatives is the Koppers Leadership Forum (KLF). This year-long, intensive program accepts only a handful of employees, nominated by their managers as having demonstrated a commitment to Koppers, excelled in their current position and expressed a strong desire to take on additional responsibilities and learning opportunities.

In 2012, seven employees were selected to participate. They attended several multi-day classroom sessions in the headquarters office, completed independent reading, used web-based learning tools and collaborated on a group project. Additionally, each participant selected an individual project that focused on increasing operational efficiency, customer satisfaction or decreasing waste at Koppers and presented project results to senior management. Three participants presented their projects to the Board of Directors.

Building new connections through the Koppers Leadership Forum

Michael Divens, Process/Project Engineer in Pittsburgh's Engineering Department, said the KLF program allowed him to connect with work peers whom he hadn't interacted with in the past. "The program has been beneficial to my development as a leader and has really allowed me to understand more about myself and how my abilities can create value for the company," he said.

Company-wide, Koppers provides an annual, estimated average of 50 training hours per salaried employee and 48 hours for each hourly employee . Employees are trained in management, leadership and job-related skills, as well as on a wide variety of Safety, Health and Environmental (SHE) topics. For example, we regularly bring SHE managers, maintenance managers and supervisors into Koppers corporate offices for SHE training and best practice sharing. In 2012, we also offered Lunch and Learn sessions at our corporate offices related to employee interests such as managing personal finances and preventing identity theft.

Making employee health and wellness an everyday priority

As part of a global Koppers wellness initiative, wellness events were held at 10 Koppers facilities in the United States between October 2011 and June 2012. Employees at each location were offered the opportunity to have their blood pressure, cholesterol and glucose levels screened and results interpreted. We were pleased at the participation of 248 employees in these screenings. Given the beneficial results of the US screenings, we plan to engage international locations to establish biometric screening programs for Koppers employees globally.

Related 2012 Corporate Goal: Develop and implement at least one new wellness initiative at all global locations

Closing down operations in Mississippi and New South Wales

In 2012, Koppers closed two of its facilities: a wood treating facility employing 46 people in Grenada, Mississippi and a carbon black facility employing 65 people in Kurnell, New South Wales, Australia. The decision to close these facilities was quite difficult, especially given the direct impact on the livelihood of affected employees. In reaching the decision to close these facilities, we closely examined facility logistics issues, past operational losses and the projected future capital expenditures needed to achieve profitable operation.

In the event of a facility closure, Koppers notifies local municipalities and/or state governments-many of whom offer rapid response teams providing job retraining or job board access to affected individuals. Additionally, Koppers may offer a severance benefit to displaced employees based on years of service. All other outplacement benefits are reviewed on a case by case basis.

Our Customers

Koppers works hard to serve its customers through long-term partnerships and listens to customer needs during the sales process, upon product delivery and through daily operational interactions. Because of our demonstrated commitment to the highest levels of environmental, social and governance performance, customers know that they can depend on us to be a safe, sustainable and reliable supplier.

Related 2012 Corporate Goal: Fully understand all customer expectations and other potential product alternatives

Our customers want to know that we can deliver the amount of product they need in a timely and reliable fashion, provide product customization and efficiently handle customer service issues. They also seek value-added support such as technical information, logistics support and clarity with regard to compliance requirements. We provide these services both to augment our customers' efficiencies and to ensure that our margins remain sufficient to balance greater product shipping and processing costs with company revenue targets.

In 2012, we completed a comprehensive customer survey across both of our business units. Survey objectives were to assess current levels of performance and customer satisfaction, better understand levels of and drivers for customer loyalty, identify Koppers core strengths and opportunities for improvements and provide a comparison of Koppers performance to that of its peers.

CMC customer survey: summary results

More than 150 CMC customers representing all of our global regions responded to the survey. Summary findings show that:

- A majority of customers give Koppers a rating of "excellent" or "good" in terms of overall satisfaction; however, there is variability in satisfaction levels across different product classes.
- We received positive feedback with regard to quality of service provided.
- A majority of customers indicated a willingness to recommend Koppers and indicated their plans to continue their purchasing relationship with the company.

RUPS customer survey: summary results

A total of 109 RUPS customers participated in the survey, representing all market segments across North America. Results show:

- Overall satisfaction rates are quite positive with most customers giving Koppers an "excellent" or "good" rating and most indicating that they are likely or very likely to recommend Koppers and to repurchase from the company.

- Koppers personnel and the quality of service delivered are the key drivers of customer loyalty. Customers recognized Koppers strength in meeting delivery commitments and maintaining a strong procurement network.
- Performance ratings are exceptional when assessing product quality.

Currently, we are analyzing results from both surveys to identify areas of improvement. Looking ahead, we intend to conduct future customer satisfaction surveys every three to four years. Insights from the surveys will help guide our customer engagement practices and improve customer satisfaction.

Spotlight on Koppers suppliers

In many cases, we purchase raw material from local suppliers, with "local" defined by the geographic area surrounding a production facility. We are currently developing a standard raw material qualification process to allow for the approval of suppliers organization-wide.

The percentage of local sourcing across our global regions is as follows:

- **China - 80%**
- **European Operations - 100%**
- **Australian Operations - 100%**
- **North America - 96.8%**

Our Communities

Around the world, Koppers facilities are key contributors to local economies, providing jobs and tax revenues to towns and municipalities. Additionally, we strive to be a responsible neighbor by engaging with communities to understand their concerns, communicating clearly about our operations and supporting the causes most important to local needs.

At each facility in the United States, we have established a Community Advisory Panel (CAP) as a first point of contact. CAPs are made up of community members representing a diverse cross-section of local interests. These individuals commit to meet with facility managers and company representatives on a regular basis to discuss issues of mutual interest.

Related 2012 Corporate Goal: Expand community outreach programs and activities through the Community Involvement Initiative

Stepping up our involvement in community life

In 2012, we implemented a new Community Involvement Initiative to promote positive community engagement. We launched the KoppersCares! Day of Service as a day of volunteer work that supports a selected community organization and aligns with Koppers philanthropic priorities. These priorities include family services, health organizations, education, culture and the arts, community improvement and the environment.

Related 2012 Corporate Goal: Encourage all employees to volunteer one day of public service to a nonprofit organization per year

At our US and international locations, teams of employee volunteers contributed their time and talent to help a local community organization complete a specific project. Examples of "Day of Service" community projects include:

- In Stickney, Illinois, employees advised students about careers in science through a joint event with the Illinois Chemical Education Foundation.
- Employees from the Pittsburgh, Clairton and Koppers Global Technology Center locations in Pennsylvania participated in the United Way of Greater Pittsburgh's annual campaign by repacking bulk food at the Greater Pittsburgh Area Food Bank.
- Koppers volunteers worked on a restoration project at Pence Park in Colorado, a public recreational facility located in the mountains near the Denver area.
- In Longford, Australia, employees split and delivered 10 tonnes of firewood to be raffled off at a local Rotary Club event.
- In Mayfield, Australia, employees reconstructed a "Healing Labyrinth" for local charity "Heal for Life" which conducts programs to help victims and families of childhood abuse.

Innovation and Product Responsibility

At Koppers, we strive to Serve our Customers Exceptionally by focusing on product quality, safety and reliability. Our product innovation and responsibility efforts are coordinated through our ISO14001-compliant Koppers Safety, Health and Environmental Management System (SHEMS).

In the coming year, we will intensify our focus on the safe, responsible and sustainable management of our products by incorporating the Responsible Care® management system (RC14001) in SHEMS. Responsible Care® is a large scale performance initiative in the chemical industry, seeking to improve chemical companies' product stewardship, transparency, safety and disclosure activities through an integrated management and performance platform.

Related 2012 Corporate Goal: Provide resources and support for Responsible Care® implementation

What is Responsible Care®?

Responsible Care® is a high-level management initiative composed of compliance, performance and disclosure elements. Companies seeking to earn membership in the ACC must:

- Establish a CEO-level commitment to health, safety and security in their product design and operating practices.
- Commit to implementation of a Responsible Care® Management System which uses the Plan, Do, Check, Act implementation flow.
- Supplement existing management practices with provisions for community awareness and emergency response; security; efficient distribution; employee health and safety; pollution prevention; and process and product safety.
- Abide by the Responsible Care® Guiding Principles, which cover a comprehensive range of environmental, safety, health and efficiency mandates.
- Continuously monitor and annually disclose performance on:
    - **environmental metrics**, including hazardous air pollutants released, SOx and NOx emissions and net water consumption;
    - **energy metrics**, including greenhouse gas (GHG) emissions and energy efficiency;
    - **safety metrics**, including number of process safety incidents, DOT-reportable distribution incidents, OHSA recordable lost workday incidence and fatalities; and
    - **accountability metrics**, including community outreach and emergency response initiatives.

Approach to product responsibility

Commitment to product safety

Koppers is committed to providing its customers with products that can be used safely and in compliance with all applicable regulations. We adhere to applicable quality standards and to the ISO 14001 standards in the production, distribution, marketing and disposal of our products. We provide safety data sheets (SDSs) including key information on products':

- compositional elements,
- first aid instructions,
- applicable regulatory requirements,
- safe handling and use, and
- environmental and toxicological data.

Koppers is exposed to unique regulatory conditions in each of its operating regions and must be proactive in anticipating changing compliance rules. One such example is the European Registration, Evaluation and Authorization of Chemicals (REACH) legislation which was passed in 2007 and the Globally Harmonized System (GHS) for classification and labeling. We are committed to working with regulators, industry groups and suppliers to meet all regulatory requirements while ensuring our customers have continued access to our products.

Taking a life-cycle perspective

Many of Koppers innovations are influenced by the need to reduce the life-cycle costs and environmental impacts of the company's products. Our research and development teams work to maximize the value and durability of our finished products while minimizing the resource intensity of their production.

Examining the life-cycle impacts of treated wood

The Treated Wood Council (of which Koppers is a member) has performed life-cycle assessments of pressure-treated utility poles and railroad crossties to evaluate the water use, GHG impacts and energy consumption associated with these products. Each study has found that treated wood products have lower environmental life-cycle impacts when compared with their steel, concrete and composite counterparts.

A life-cycle assessment of utility poles released in March 2012 revealed that poles constructed of pentachlorophenol-treated wood require less total energy, less fossil fuel and less water than concrete, galvanized steel and fiber-reinforced composite utility poles. Use of treated wood poles also results in decreased GHG emissions and lower overall environmental impacts. Complete research is available upon request from the Treated Wood Council at www.treated-wood.org/contactus.html and a summary of end-of-life evaluation for creosote-treated ties is available in the March/April 2010 issue of Crossties Magazine.

Expanding our CMC product portfolio

Koppers core products are the foundation of a complex and diversified value chain. As such, we are challenged to capture new opportunities for product customization to fulfill the evolving needs of our customers.

Researchers at the Koppers Global Technology Center (KGTC) are responsible for testing and creating new forms of carbon pitch and other chemical products, both for customer requests and for Koppers own efforts to find new markets and uses for its products. Located at the University of Pittsburgh Applied Research Center (UPARC), the KGTC provides Koppers with key laboratory research capabilities and gives us exposure to a local talent pool with the chemical engineering skills essential to the growth of our business.

Recent innovations in our CMC business have included experimentation with new and diverse feedstock for the production of our chemical products. In particular, we have successfully used residual by-products of the petroleum refining process to produce pitch products with properties similar to coal tar derived products—an accomplishment that helps Koppers diversify its product inputs while giving new life to a residual co-product from petroleum refineries.

KFOAM® thermal management technology

KFOAM®, one of Koppers most recent product innovations, is an advanced graphite foam with exceptional thermal and electrical conductivity. At one-fifth the weight of aluminum or copper, KFOAM® has four times the thermal conductivity of copper and eight times the thermal conductivity of aluminum. With these unique qualities, KFOAM® can potentially be used in many of today's most demanding thermal management applications such as heat sinks, thermal interface materials, cookware , electronics and LED lighting. Koppers is also evaluating the potential use of KFOAM® in EMI shielding, acoustic dampening, batteries and blast mitigation materials.

The ability to incorporate this lightweight, conductive material into diverse product applications can reduce energy consumption and facilitate the development of alternative, more energy efficient technologies.

KFOAM® in an LED lighting application

Expanding our RUPS product portfolio

Developing new wood treatment processes to extend product lifespan

Traditionally, railroads have used creosote exclusively in the treatment of railroad crossties. While creosote protects wood from external environmental elements, internal degradation from rot and insect damage has limited the lifespan of creosote-treated ties. The proliferation of Formosan termites and humid climate conditions in portions of the United States has also created demand for additional preservative systems to extend crosstie viability in certain high decay zones on the rail lines.

To address these challenges, Koppers has recently begun using a proprietary chemical treatment method to introduce borate as an additional preservative to railroad crossties, in conjunction with creosote treatment. A new chemical penetration process call TRU-CORE®, which was developed by Kop-Coat, Inc. (an RPM International, Inc. Company) can rapidly deliver wood preservatives and insecticides such as borate into the core of wood and wood based composites. The borate treatment process using TRU-CORE® delivery was tested in collaboration with researchers at Oregon State University and scientists at Kop-Coat.

Koppers and industry testing found that the borate treatment process doubles the useful life of creosote-treated ties in the aforementioned high decay zones. Typical crosstie treatment with creosote does not penetrate fully into hardwood (primarily oak). In contrast, the TRU-CORE® delivery method associated with borate treatment allows for rapid and full wood penetration of not only borate but of creosote as well, which, when followed by creosote application, seals the borate into the wood and prevents borate from leaching from the wood.

Koppers customers—particularly those located in humid, "high decay" zones—have responded very positively to our borate treated products. Koppers borate treatment process has been approved for standardization by the American Wood Protection Association.

Responding to customers' sustainability requirements

Our successful product innovations are a testament to the excellence of Koppers research, management integrity and integrated business approach—qualities for which we are increasingly rewarded in the marketplace. Our treatment technologies and manufacturing processes coupled with Koppers overall attention to operating with sustainability in mind have been instrumental in driving the expansion of Koppers RUPS business into new markets and improving customer retention.

Capturing new business opportunities

In 2012, Koppers was subject to an audit by a large Brazilian mining company as a prerequisite to the development of a major crosstie purchase contract. The audit involved a comprehensive review of Koppers environmental performance, safety standards, accounting and financial practices and supplier performance and resulted in an overall 100 percent compliance score. In February 2012, we announced our first crosstie order from the company.

Koppers Brazilian crosstie business has since grown by order of magnitude. Our performance on this audit was instrumental in securing our new contract and serves as a positive baseline from which Koppers may be compared with its competitors.

Safety, Health and Environmental Stewardship

Our Approach to SHE

Safety, health and environmental (SHE) stewardship is a core precept at Koppers as reflected in our Strategic Priorities of Safe and Healthy Workplace and Operational Excellence. We know that by achieving excellence in SHE performance we can build a solid future for our company and meet the rising performance expectations of regulators, customers, communities and investors.

Koppers has long focused on ensuring comprehensive management and oversight of SHE issues. The company has a dedicated SHE Board committee that is tasked with serving in an advisory and consulting capacity to the entire Board of Directors with regard to SHE policies, practices and performance. Koppers Vice President of Safety and Environmental Affairs provides updates to the SHE committee on a quarterly basis, and the committee also meets with executive officers and senior operations managers to obtain timely information on SHE matters.

Related 2012 Corporate Goal: Work responsibly to achieve zero compliance violations

We have established a comprehensive set of ISO 14001-compliant, processes and procedures that clearly outline our SHE policy, expectations, roles and responsibilities—starting from the basic premise that full compliance with all applicable legal requirements is the minimum level of performance. Over the course of the coming year, we will be integrating the Responsible Care® RC14001 management system inclusive of environmental, safety and health, security and product responsibility topics, into our SHEMS (ISO 14001) system. We will be standardizing processes and implementation across our global facilities and expect to certify US operations in 2014 with international operations being certified in 2015.

Koppers SHE Policy

At Koppers, we are committed to:

- **Compliance with all applicable safety, health, environmental and security laws, regulations and other requirements to which Koppers subscribes;**
- **Pollution prevention in order to preserve the environment for the health, productivity and enjoyment of future generations;**
- **Continuous improvement of our safety, health, environmental and security systems and performance;**
- **Communication regarding our business operations and potential risks, both internally and externally to promote openness with our stakeholders.**

The Koppers SHE policy applies to each of our facilities and is used as the framework for setting and maintaining corporate and facility SHE objectives.

Harmonizing best practices around the world

Our Responsible Care® initiative is an important example of our efforts to standardize and harmonize operational practices and procedures across multiple global locations. For example, we will roll out the implementation of a mechanical integrity inspection initiative in 2013. This program will examine equipment and facility maintenance processes beginning with our US CMC business unit, and disseminate specific improvements across all facilities. Areas of emphasis will include process safety protocols, tank inspections and the standardization of common procedures.

Related 2012 Corporate Goals: Expand "best practices" and sustained cost improvement initiatives across global operations

Safety first

Koppers SHEMS system addresses environmental concerns and process impacts while also setting forth a comprehensive approach to health and safety. We firmly believe that no employee should be injured on the job, and we maintain high levels of vigilance and individual accountability for safe working conditions and safe working practices. In 2012, our careful attention to safe operation resulted in the best results ever achieved at Koppers in terms of Days Away, Restricted and Transfer (DART) and Total Recordable (TRR) rates.

Related 2012 Corporate Goal: Work responsibly to achieve zero work-related injuries

Responding to accidents and incidents

Over the past year, Koppers was challenged with several process incidents. There were no injuries as a result of these incidents, and environmental impacts were immediately contained and remediated. In each case, we conducted a thorough root-cause analysis to determine the conditions leading up to these incidents. We then disseminated amended processes and protocols across the organization via global meetings and conference calls and communicated externally with local communities and regulators as to the comprehensive action plans we put in place.

Our main focus is preventing accidents and incidents before they occur. We understand the importance of proactive adherence to process safety and environmental legislation, regulation, permitting and best practice. In concert with our industry peers, we continue to be responsive and accountable for our facility impacts and partner with local communities, regional and national regulators and our collective customer base to ensure responsible operation.

Environmental performance

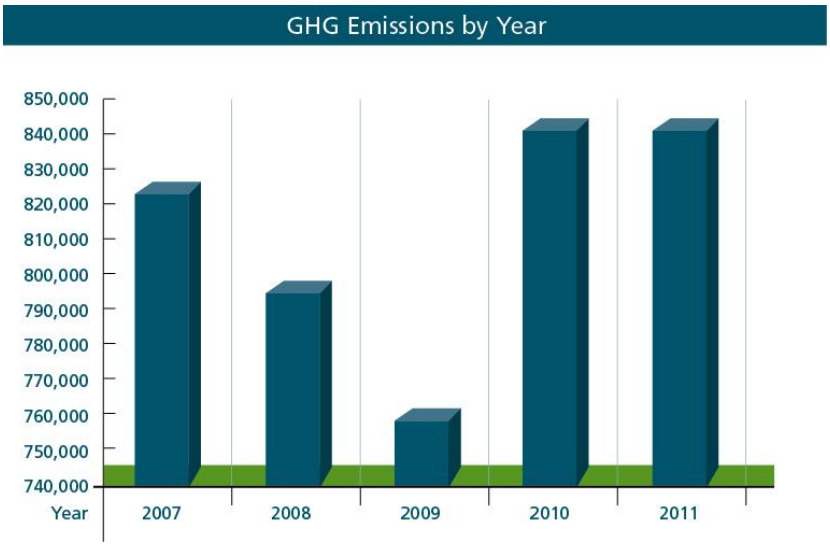
We view environmental performance as a particular area of opportunity with regard to operating efficiently and optimizing our use of natural resources. During the past year, we have implemented initiatives to conserve energy, reduce emissions, minimize waste and recycle water within our facilities.

Related 2012 Corporate Goal: Implement a five percent minimum reduction in energy and waste costs over 2011 at all locations.

Calculating our carbon footprint

Koppers first began inventorying its GHG emissions in 2007 and has applied the same process and boundaries to calculating its carbon footprint ever since. We focus on measuring Scope 1 emissions (direct emissions from stationary sources, Koppers-owned mobile sources, refrigerant leakage and manufacturing processes) and Scope 2 emissions (indirect emissions from electricity and steam use). At this time, we do not measure or track Scope 3 emissions from the transport of our products or as related to employee commuting.

Koppers total global GHG emissions by year



GHG emissions declined in 2008 and 2009 as a result of the downturn in the global economy and reductions in production volume. In 2010, GHG emissions rose as the economy improved and production volumes increased. Koppers also completed its acquisition of the Uithoorn Works facility in 2010, which contributing an additional 43,027 tonnes of CO2e. GHG emissions remained consistent from 2010 to 2011.

Production heat warms the local community at Nyborg

Koppers Nyborg, Denmark facility is doing its part to spread warmth to the local community. Facility processes release excess heat, which is used to produce hot water

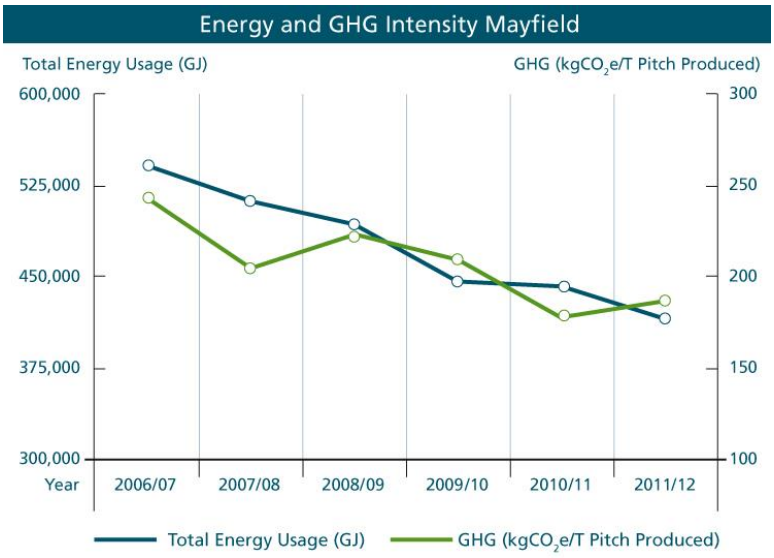
that is then sent out to the district heating system—nearly 15,000 MWh annually. This energy is used beneficially rather than being dissipated to the air or a nearby fjord and also replaces energy that would otherwise have had to be produced to generate heat for the community. An added benefit is a concomitant reduction in GHG emissions.

Driving energy and emissions reductions in Mayfield

In Australia, Koppers is subject to recently ratified national carbon pricing regulations, which apply a levy of $23 per tonne of Scope 1 GHG emissions on any facility that emits above a threshold of 25,000 TCO2e per year. This regulation has added urgency to our continued efforts to find ways to cut our emissions and stay below the GHG emissions cap across our Australian operations.

Our CMC Facility in Mayfield, New South Wales, Australia has participated in the Australian Government's Energy Efficiency Opportunities Program since 2007. Employees at Mayfield achieved reductions in both energy use and related Scope 1 GHG emissions of approximately 23 percent over the past five years. These reductions were accomplished through the identification and implementation of energy efficiency projects, all while maintaining consistent production levels—meaning that reductions were due to energy use optimization rather than production cuts.

It is important to note that the Mayfield facility's Scope 1 GHG emissions were initially well above the carbon levy threshold of 25,000 TCO2e per year. Because of the efficiency improvements implemented over the past five years, Mayfield will not be directly subject to the Australian carbon price, resulting in benefit to the environment and also to Koppers bottom line due to significant cost savings.



"Right-sizing" boilers at Scunthorpe Works

Following process facility changes at our Scunthorpe Works facility in North Lincolnshire, UK, we realized that our three existing boilers were much larger than needed for the significantly lower facility steam demand (approximately ten percent of the previous demand). We replaced the outsized boilers, each with a capacity of 11 tonnes of water, with a newer, smaller, automatically controlled and more efficient boiler.

The new, leased built-to-order boiler was installed in June 2012, and the old boilers were sold for refurbishment and reuse. The new boiler has a much smaller two tonne water reservoir and the ability to fire either on natural gas or oil, using about 5 percent of the natural gas previously consumed. The smaller boiler operates much more efficiently, at a greater start-up speed and the ability to maintain optimum steam concentration at all times. Additional environmental and financial benefits stem from reduced water consumption and lower water treatment costs, fewer treatment chemicals and reduced NOx and GHG emissions.

Steam traps yield savings in Stickney, Illinois

On May 16, 2012, Koppers employees at the Stickney facility in Illinois receive a hefty energy-savings rebate check from Nicor officials.

At our facility in Stickney, Illinois, we've shown that attention to seemingly routine aspects of operation can yield significant savings. Employees at the facility replaced more than 500 steam traps in 2012, saving more than 700,000 therms of energy, as estimated by Nicor, our local natural gas supplier. By reducing the amount of natural gas needed to generate energy for the facility, we were able to collect a $49,000 rebate check from Nicor as part of Nicor's energy reduction incentives program.

Recycling water in our facilities

At our Bunbury facility in Western Australia, we are faced with a challenge common to businesses and communities in the region—namely, that of increasing water scarcity. Facility permits already limit the amount of water we are able to withdraw from the town water supply, yet our plans for expansion envision an increase in production from 18,000 to 30,000 utility poles per year. In order to continue operational growth, we

needed to develop a water efficient solution that could capture and reuse a significant amount of rainwater for use in our production facility.

In 2012, we increased our onsite water storage capacity and installed a water filtering and reuse system to capture rainwater from around our wood treatment areas. Implementation results were significant, with nearly six million liters of water recovered and filtered for reuse over the course of the year. We are consequently drawing far less water from the aquifer and with continued water reuse we will be able to increase our production without approaching our withdrawal limit.

Annual Water Use at Bunbury		
Year	Water from Town Supply	Recovered Water Usage
2010	18,550 kl	N/A
2011	16,396 kl	N/A
2012	12,956 kl	5754kl

Optimizing transportation and logistics parameters

The sourcing of coal tar, the major input in our CMC business, requires that we maintain an extensive transportation and logistics system, especially in our European operations. We synchronize the activity of railcars, ships, barges and trucks to bring in coal tar and then deliver finished product to our customers. As with our facility operations, we seek to optimize transportation efficiency to reduce costs, conserve fuel and cut down on related air emissions.

We are working with our logistics providers to design combination trucks that can hold two different chemical cargos. Currently, trucks carrying material to customers cannot be refilled for the backhaul portion of the trip, due to tank cleaning requirements and the need to keep different materials separate. If our trials with combination trucks are successful, the trucks will be able to deliver material to a site and immediately pick up a return load, thus utilizing tank space over the entire route.

Koppers is recognized annually by several major North American railroads for its outstanding transportation safety record. Koppers received awards from CSX and CN for excellence in chemical transportation safety in 2011 (the most recent year for which awards results are available).

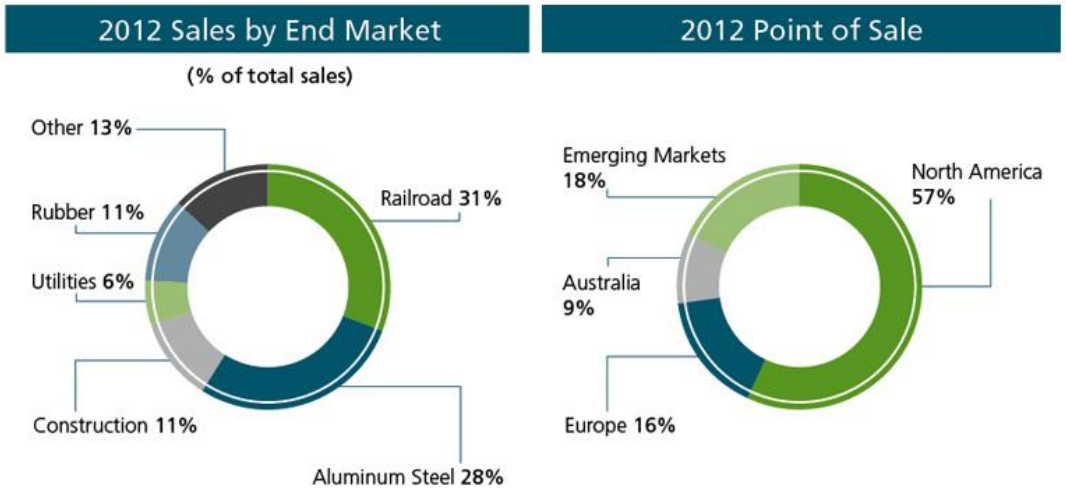
Performance Tables

Economic Performance Data

	2012	2011*	2010*
Net Sales ($ in millions)	1555.0	1466.2	1190.5
Operating Profit ($ in millions)	126.6	36.9	44.1
Net Income (to Koppers) ($ in millions)	65.5	36.9	44.1
Point of Sale ($ in millions)			
North America	884	856	732
Australia	147	94	83
Europe	243	245	191
Emerging Markets	281	271	193
Number of Facilities	25	27	27

* Restated prior year financials to exclude discontinued operations

Number of Facilities



Social Performance Data	**2012**	**2011**	**2010**
Employees (total)	1,660	1,711	1,675
United States	1,166	1,197	1,104
Australia	164	186	225
Europe	231	236	254
Asia	99	92	92

Safety (aggregate data for all regions)			
Days Away Case Rate	0.67	1.22	1.09
DART Rate	1.61	2.06	2.87
Total Recordable Rate	3.83	4.17	4.94
Fatalities	0	0	0
Participation in Global Code of Conduct Training (% of total employees)	99.4	91	100

2012 Safety Statistics (by region)	Days Away Case Rate	DART Rate	Total Recordable Rate	Fatalities
Total (company-wide)	.67	1.61	3.83	0
North America	.77	2.08	4.94	0
Australia	1.2	1.2	3.0	
Europe	0	0	0	0
China	0	0	0	0

Greenhouse Gas Emissions	**2011**	**2010**	**2009**
GHG Emissions (tons of CO2e)*	**867,455**	**865,598**	**764,456**
United States	553,863	534,453	498,501
Australia	194,087	182,197	178,822
Europe	80,504	75,432	52,355
Asia	39,001	73,516	34,778
GHG Emissions by Source Type			
Stationary Source Combustion	433,935	445,677	438,586
Mobile Sources	11,232	13,601	12,134
Process/Fugitive	170,559	165,771	142,094
Refrigerant	685	626	367
Electricity	138,206	140,210	123,071
Purchased Steam	112,838	99,713	48,204

* GHG emissions are measured and reported on an equity share basis.

Direct Energy Consumption (by primary energy source) in GJ	**2012**	**2011**	**2010**
Renewables			
Wood chips	476,191	529,415	445,562
Used ties**	914,770	1,204,357	1,244,356
Non-Renewables			
Gasoline	14,795	15,947	13,583
Diesel	266,181	261,674	265,695
Fuel Oil #6	433,821	378,306	398,434
Solvent	475,782	437,564	465,554
Coal	N/A	N/A	N/A
Coke Oven Gas	583,571	528,277	534,379
Natural Gas	2,499,427	2,738,683	2,359,923
Kerosene	758	960	971
Propane	1,136	1,150	1,517
TOTAL Direct Energy Consumption	**5,566,432**	**6,096,332**	**5,729,974**
Energy sold	219,117	250,585	257,886
Indirect Energy Consumption (by primary energy source) in GJ	**2012**	**2011**	**2010**
Electricity	677,554	689,884	670,197
Steam	819,495	808,973	789,318
TOTAL Indirect Energy Consumption	**1,497,049**	**1,498,858**	**1,459,515**

** The used ties that are used to generate electricity are a major factor in Koppers' total energy consumption

	TOTAL - US based on 2010 primary use breakdown by state					
		GJ		GJ		GJ
	2012		**2011**		**2010**	
Electricity Usage (GJ)	463,134		474,826		463,839	
Coal	56%	261,398	56%	265,892	55%	255,058
Petroleum	0%	1,036	0%	1,048	0%	1,007
Natural Gas	8%	37,356	9%	41,232	9%	41,240
Other Gases	0%	490	0%	496	0%	460
Nuclear	32%	146,321	31%	148,651	32%	148,579
Hydroelectric Conventional	1%	5,593	1%	6,124	1%	6,279
Wind	2%	8,132	2%	8,379	2%	8,149
Solar Thermal and Photovoltaic	0%	24	0%	26	0%	26
Wood and Wood Derived Fuels	0%	1,511	0%	1,664	0%	1,709
Other Biomass	0%	1,357	0%	1,383	0%	1,375
Pumped Storage	0%	(729)	0%	(726)	0%	(696)
Other	0%	645	0%	658	0%	653
Total		**463,134**		**474,826**		**463,839**

	2012	**GJ**	**2011**	**GJ**	**2010**	**GJ**
Steam Usage (GJ)	197,726		196,057		169,228	
Natural Gas	100%	197,726	100%	196,057	100%	169,228

The above breakdown of primary energy consumption used to produce the indirect energy consumed by Koppers in the United States assume 100 percent efficiency in generation and transmission.

Materials Use (2012) in metric tons	CMC
Coal tar, distilled (globally)	1,716,000
Petroleum, distilled (North America)	66,000
Petroleum, distilled (Uithoorn)	1,890
Naphthalene to PAA (North America)	54,366
Orthoxylene to PAA (North America)	17,790
Benzol heavy distillate (Uithoorn)	3,436
Xylene	361

Materials used that are recycled inputs, in metric tons (2012)	CMC
Stickney: Coal tar storage tank residues	2,170
PAA Residue recycled	1,058
Follansbee: coal tar & product samples	239
Mayfield: coal tar & products recycled	15
Scunthorpe: out-of-date drum stock	50

Materials Use (2012)	RUPS
Wood (cubic feet)	
Square stock (North America)	39,575,821
Round stock (North America)	2,158,506
Australia Koppers Wood	3,704,238
Creosote (lbs)	281,404,169
DOT (lbs)	5,117,331
Pentachlorophenol (lbs)	523,538
CCA (lbs)	502,682
Steel strapping (lbs.); used in shipments	686,023
Materials used that are recycled inputs	None

Water withdrawal (in m3)	CMC	RUPS
Municipal water supply	1,207,422	146,268
Well water	130,764*	241,510
River water	356,787	24,946
Rainwater	42,500	N/A
Groundwater	70,611	N/A

* Not inclusive of well water withdrawn at KCCC (not measured)

Water discharge (in m3)* for 2012	RUPS (combined for all facilities)
Discharge to POTW (Publicly Owned Treatment Works)	
Biological aeration	219,422
Activated sludge	22,404
Non-biological treatment	80,698
Discharge to overground water sources	
NPDES permitted	230,013 (inclusive of Green Spring Evaporated discharge of 5,471)
Form R (estimated discharge)	309,588

* *Each NPDES-permitted facility and each POTW maintains specific water quality parameters and limits, which are available upon request*

Water discharge (in m3)* for 2012	CMC
Facility	**Discharge**
Clairton	77,584 m^3 via 3rd party WWTP to river
Follansbee	226,476 m^3 biological treated water to river
Stickney	1,164,460 m^3 to POTW including 656,901 surface water and 507,559 m^3 biological treated water
Nyborg	25,520 m^3 surface water to fjord 130,764 m^3 cooling water to fjord 12,211 m^3 waste water to POTW
Pt. Clarence	110,577 m^3 biological treated water to river
Scunthorpe	6,220 m^3 via 3rd party WWTP to river
Uithoorn	207,342 m^3 biological treatment to river 159,082 m^3 filtration treated to river
KCCC	12,000 m^3 to 3rd party WWTP Water is reclaimed
Mayfield	14,504 m^3 biological pre-treated process and 2,073 m^3 sanitary water discharged to POTW Stormwater not measured
Grafton	160 m^3 stormwater discharge to surface water
Longford	603 m^3 process water to POTW

Waste disposal (in tons)	CMC	RUPS
Non-hazardous waste		
Landfill	2,468.2	10,357
Reused/recovered wood waste	7,402 m^3	434
Reused	3.4	N/A
Recycled	291**	1,245 (recycled steel)
Recovered	206.5	N/A
Municipal waste	104	N/A
Offsite	657.5	N/A
KCCC (all plant waste sent to partner Tangshan Iron & Steel)	24	N/A
Hazardous waste	Not available	See table below

**Waste disposal data collected is based on information provided by our waste disposal contractors. Data above excludes Stickney.*
*** Including 3 MTs to recycle organization "House with No Steps" aiding disadvantaged people, 16.2 kgs printer cartridges recycled through "Close the Loop" organization*

Hazardous Waste, by disposal method (RUPS)

Facility	Waste Disposal Type (lbs unless otherwise noted)									
	H010	H039	H040	H050	H075	H121	H124	H129	H132	H141
Roanoke	-	-	142958	3990.2	-	-	-	-	219	-
North Little Rock	-	-	207248	-	-	-	-	-	-	-
Grenada	-	4800	628937	-	-	-	-	-	-	-
Susquehanna	203	-	94497	1522	-	-	-	-	-	-
Guthrie*	-	-	127270	-	6000	220	-	-	-	3192
Huntington	-	-	-	-	-	-	-	-	-	-
Florence	179	-	825454	-	157220	-	-	-	-	2000
Green Spring	-	-	655360	127	-	-	5947.5	32780	-	-
Somerville	-	-	604981	-	-	-	-	-	-	-
Galesburg	57	-	80446	36426	-	-	-	-	-	-
Denver**	164	-	51848	-	-	-	-	-	321	-
Total Gallons	-	-	-	-	-	**220**	-	-	-	-
Total lbs	**603**	**4800**	**3E+06**	**42065**	**163220**	**-**	**5947.5**	**32780**	**540**	**5192**
Total Tons	**0.3015**	**2.4**	**1709.5**	**21.033**	**81.61**	**-**	**2.9738**	**16.39**	**0.27**	**2.596**

NOTES: Reported in gallons

*Guthrie H141 waste, reported in pounds, is **not** inclusive of 55 **gallons** of additional H141 waste

Denver landfill waste is **not inclusive of 285 cubic yards (approximately 7125 lbs / 3.5625 tons) of asbestos material

Waste Disposal Management Codes

Reclamation and Recovery	**H010**	Metals recovery including retorting, smelting, chemical, etc.
	H039	Other recovery or reclamation for reuse including acid regeneration, organics recovery, etc.
	H050	Energy recovery at this disposal site - used as fuel
Destruction or Treatment Prior to Disposal at Another Site	**H040**	Incineration - thermal destruction other than use as a fuel
	H075	Chemical Oxidation
	H121	Neutralization only
	H124	Phase separation
	H129	Other treatment
Disposal	**H132**	Landfill or surface impoundment that will be closed as landfill
Transfer Off Site	**H141**	The site receiving this waste stored/bulked and transferred the waste with no treatment or recovery, fuel blending, or disposal at that receiving site.

The information in the above tables reflects the results of our business operations during 2010, 2011 and 2012 and has been collected from all of our global facilities.

About this Report

Koppers 2012 Sustainability Report is the company's first report to be fully aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. We are self-declaring a GRI C Application Level. The reporting period covered is Koppers 2012 fiscal year, ending December 31, 2012. We intend to continue issuing sustainability reports on an annual basis.

Koppers issued its first report in 2003 and has used the GRI Guidelines to inform its subsequent corporate responsibility reports. The company's April 2012 Sustainability Update was a transitional summary report highlighting Koppers work to identify and prioritize key sustainability issues, establish company-wide Strategic Priorities and align the outcomes of these parallel processes. A full online archive of Koppers past reports is available at www.koppers.com.

In determining what topics to include and prioritize in this report, we have applied the GRI's "Guidance on Defining Report Content," the associated GRI Principles and the GRI Technical Protocol "Applying the Report Content Principles". Specifically, we have used these documents in considering and developing our approach to materiality analysis and in aligning sustainability issues of high importance with Koppers Strategic Priorities.

Reporting boundaries

Narratives and data reflect the results of our business operation and have been collected from all of our global facilities, including joint ventures. We report on joint ventures where we have operational (majority) control. GHG emissions are measured and reported on an equity share basis.

Over the course of the past year, we have initiated the closure of two facilities, purchased a new business and announced a joint venture in China. We did not include data and information from these facilities in this report.

- In August 2012, Koppers Board of Directors approved the formation of a majority-owned joint venture company to design and construct a tar distillation facility in partnership with Yizhou Group in Pizhou City, Jiangsu Province, China.
- Koppers acquired the Western Poles business from Ridolfo Forestry Products Pty Limited. Western Poles procures and processes timber for the Western Australian utility pole market. Their primary customer is Western Power, which maintains approximately 660,000 utility poles in its system. The acquisition represents further vertical integration in the utility pole supply chain for Koppers and strengthens the expansion of the company's business in Australia.

Koppers anticipates that we will begin incorporating data from the Western Poles acquisition into our sustainability reporting next year. We plan to begin tracking and disclosing data related to our Yizhou Group joint venture when that facility becomes operational.

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We encourage you to provide us with feedback on our efforts. Please direct comments and questions to:

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Indicator	Description	Reported	Cross-reference/ direct answer
Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	**Message from the CEO**
Organizational Profile			
2.1	Name of the organization.	Fully	About Koppers
2.2	Primary brands, products, and/or services.	Fully	Vertically Integrated Operations
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	About this Report Business Units and Products FY 2012 Form 10-K, p. 8 FY 2012 Form 10-K, Exhibit 21 Koppers equity investments/joint ventures • KSA Limited Partnership, located in Portsmouth, Ohio, produces concrete crossties, a complementary product to our treated wood crosstie business. Koppers owns 50 percent of KSA with the other 50 percent owned by subsidiaries of Heidelberg Cement AG. • Tangshan Koppers Kailuan Carbon Chemical Company ("TKK") is a coal tar distillation facility located in China in the Hebei Province near the Jingtang Port. Koppers holds a 30 percent investment in TKK. • Koppers China Chemical Company ("KCCC") is a coal tar distillation facility located in Hebei Province in China. Koppers holds a 60 percent investment interest in KCCC.
2.4	Location of organization's headquarters.	Fully	Contact Us
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Koppers Locations Worldwide Vertically Integrated Operations
2.6	Nature of ownership and legal form.	Fully	FY 2012 Form 10-K, p. 3 C corporation The stock of Koppers Holdings Inc. is publicly traded on the New York Stock Exchange under the symbol "KOP."
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Koppers Locations Worldwide Vertically Integrated Operations Serving Global Markets FY 2012 Form 10-K, p. 6
2.8	Scale of the reporting organization.	Fully	About Koppers Our Employees FY 2012 Form 10-K, pgs. 26, 28, 43 Total Employees: 1,660 Total debt: $296.1 (in millions)

Indicator	Description	Reported	Cross-reference/ direct answer
			Total equity: $168.1 (in millions) Net sales, by business segment (in millions) Carbon Materials & Chemicals $999.7 Railroad & Utility Products $555.3
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	No significant changes in ownership, share capital structure, or other capital formation occurred in the reporting period.
2.10	Awards received in the reporting period.	Fully	Environmental Performance
Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About this Report
3.2	Date of most recent previous report (if any).	Fully	About this Report
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About this Report
3.4	Contact point for questions regarding the report or its contents.	Fully	Contact Us
3.5	Process for defining report content.	Fully	About this Report Sustainable Foundation We have identified our stakeholders through our Responsible Care® certification process and use these as a proxy for who may be interested in the report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About this Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About this Report The narratives in this report reflect Koppers global operations; however, we are still in the process of building out comprehensive data tracking and collection methods. For some indicators, we have reported on a subset of facilities (as indicated in footnotes to data tables). Our intention is to expand our reporting in future years to disclose consolidated metrics for all facilities and locations.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About this Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Certain items for 2011 have been restated in accordance with accounting and reporting rules for discontinued operations as a result of the closure of our carbon black facility in 2011.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	There were no significant changes in scope, boundary, or measurement methods from previous years.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index

Indicator	Description	Reported	Cross-reference/ direct answer
Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Governance Approach Koppers Corporate Governance webpage
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	The Chairman of the Board is an independent director and is not an executive officer at Koppers. The board's current policy is that the roles of the Chairman of the Board of Directors and Koppers CEO should be separate such that the chairman can serve as a check on the CEO and independently assess the overall performance of the company on behalf of its shareholders.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Governance Approach
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Koppers Corporate Governance webpage The board of directors welcomes the input and suggestions of shareholders and other interested parties. Shareholders and other interested parties wishing to contact the chairman of the board or the non-management directors as a group may do so by sending a written communication to the attention of the chairman of the board, c/o Koppers Holdings Inc., Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. Issues or complaints regarding questionable accounting, internal accounting controls or auditing matters may be sent in writing to the attention of the audit committee chairman, c/o Koppers Holdings Inc., Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. Our corporate secretary will forward all written communications unopened to the director to whom it is addressed. Alternatively, you may place an anonymous, confidential, toll-free call in the United States to our Compliance Line at 800-385-4406.
4.14	List of stakeholder groups engaged by the organization.	Fully	Building Key Relationships
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Building Key Relationships We identified key stakeholders as part of the Responsible Care® certification process that we began in 2012.

Indicator	Description	Reported	Cross-reference/ direct answer
Performance Indicators			
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other	Partially	FY 2012 Form 10-K, p. 72

Indicator	Description	Reported	Cross-reference/ direct answer
	community investments, retained earnings, and payments to capital providers and governments.		
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	FY 2012 Form 10-K, p. 61
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Our Customers Just as we focus on the sustainability impacts of our own operations, we scrutinize the qualifications of prospective suppliers. We select suppliers through the consideration of various factors, including quality, material and transportation costs, reliability, business conduct, ability to comply with regulatory requirements and whether we can forge a strategic partnership within a given relationship.
Environmental			
EN1	Materials used by weight or volume.	Fully	Performance Data
EN2	Percentage of materials used that are recycled input materials.	Fully	Performance Data
EN3	Direct energy consumption by primary energy source.	Fully	Performance Data
EN4	Indirect energy consumption by primary source.	Fully	Performance Data
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Environmental Performance
EN8	Total water withdrawal by source	Fully	Performance Data
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Performance Data Environmental Performance We measure GHG emissions based on equity share and use up-to-date emission factors and global warming potentials as cited in the World Resources Institute and World Business Council for Sustainable Development's (WRI/WBCSD) GHG Protocol.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	Environmental Performance
EN21	Total water discharge by quality and destination	Partially	Performance Tables
EN22	Total weight of waste by type and disposal method.	Partially	Performance Tables
EN23	Total number and volume of significant spills.	Fully	First Quarter 2012 Results No significant spills for RUPS Global CMC had 12 spills with a total volume of 178,943 gallons. Three spills were considered significant under Koppers criteria, these include: (1) Portland, AU: 110,000 gallons - all in containment. This spill is deemed significant because our criteria says releases over 5,000

Indicator	Description	Reported	Cross-reference/ direct answer
			gallons within containment are significant. (2) Clairton, US: 20 gallons. This spill is significant because it occurred offsite (3) Port Clarence, UK: 67,792 gallons, all in containment. This spill was deemed significant because it was > 5000 gallons in containment. Koppers criteria for significance are: (1) >=250 gal outside containment, (2) any amount outside containment that cannot be completely remediated, (3) >= 5000 inside containment and (4) any amount off site.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	• $75,000 settlement paid in 2010 related to 2009 Leak Detection and Repair inspection and alleged non-compliances. Koppers contests these allegations. • $359 fine for exceedances of permit limits at Susquehanna, PA co-generation facility, which occurred in 2011.
Social			
LA1	Total workforce by employment type, employment contract, and region.	Fully	Our Employees FY 2012 Form 10-K, p.10 No contract workers were employed during the reporting period, and Koppers does not face significant variations in employment throughout the year.
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	US combined turn-over rate is 13.65 percent
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Comprehensive benefits are offered to all Koppers employees. Though each plant and region differs slightly in benefit offerings, the majority of our employees receive a healthcare PPO, HMO options, as well as dental and eye care coverage. Koppers offers vacation time ranging from two to five weeks per year (based on years of service and/or collective bargaining agreement).
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Of our employees, approximately 67 percent of our US workforce is represented in 12 union shops, by 13 locals covered by 13 separate labor agreements. We have numerous other locations that are not covered under a labor agreement.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Performance Tables Our Approach to SHE Koppers does not track absenteeism rates.
LA10	Average hours of training per year per employee by employee category.	Fully	Our Employees Performance Tables

Indicator	Description	Reported	Cross-reference/ direct answer
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Our Employees We offer tuition reimbursement to salaried employees up to $5,250 per year. We have not allowed for sabbaticals.
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	100 percent of salaried employees. We do not conduct performance evaluations with employees under union representation.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	Governance Approach
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	Performance Tables Code of Conduct and Business Ethics 99.4% of Koppers employees participated in Global Code of Conduct training in 2012.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Governance Approach On an ongoing basis, we review corruption risks associated with our two business units. In 2012, we began a comprehensive due diligence and review process on all agents world-wide.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	In 2012, 97.9 percent of Koppers salaried employees globally received anti-corruption training. Additionally, Koppers annual Code of Conduct training included a segment on anti-corruption. 99.4 percent of all employees globally received this training.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	Approach to Product Responsibility
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	There were no violations with regard to Koppers operations in the United States, Australia, China, the UK and Denmark. Following a REACH inspection in December 2012 at Koppers Netherlands, we further explained our position to regulators with regard to disclosure on UVCB substances (chemical substances of unknown or variable composition, complex reaction products and biological materials). The classification of UVCBs is part of an industry disagreement with ECHA where legal action is pending. Koppers European operations are participating in the legal action brought by the coal chemicals industry.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Approach to Product Responsibility All significant product categories are subject to SDS documentation.

Indicator	Description	Reported	Cross-reference/ direct answer
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Koppers remains in compliance with all product safety labelling regulations to which it is subject. Following a REACH inspection in December 2012 at Koppers Netherlands, we corrected some information listed on Safety Data Sheets.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Our Customers