

The background of the entire page is a photograph of a dense forest. Sunlight filters through the tall, thin trees, creating a warm, golden glow. The forest floor is covered in green undergrowth and ferns.

PROTECTING
What Matters

PRESERVING
The Future

2019 SUSTAINABILITY REPORT

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On behalf of all Koppers employees, thank you for reading our 2019 Corporate Sustainability Report, which details our comprehensive efforts and enhanced strategy to ensure we are creating a more sustainable future for our company and our world.



Traditionally, this report would primarily be a review of how we managed Sustainability priorities the previous year. This year, as our people, communities and economies face unprecedented challenges due to the coronavirus (COVID-19) pandemic and continuing racial injustice, we have increased our communication with all stakeholders. In this year's report, our goal is to go further and share full details on how we are working together to identify opportunities as well as address challenges as an organization. In addition to the information shared in this report, please see our latest [News Releases](#), our [Investor Relations](#) page and social media accounts for our most recent updates.



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The challenges of today fully illustrate the need for purposeful, strategic efforts around Sustainability. The interconnection of **People, Planet and Performance** must be the driving force behind our actions as an organization.

For us, that means **protecting the health and safety of employees, communities, customers and supply chain partners comes first**. From implementing new safety measures at our locations across the globe to strengthening community partnerships to provide essential items and personal protective equipment to areas in need, Koppers employees are working together to make a difference.

Koppers Stands Together Against Racial Injustice

“Let’s continue to support one another by actively listening and working to better understand those who have different backgrounds and experience”. – Leroy Ball

Watch Leroy’s [video message](#) and read his [letter](#) to employees.

As a company, we have a responsibility to our employees to set an organizational structure that supports and empowers their efforts. With this in mind, we took several significant steps in 2019 and 2020 to drive collaboration and purpose across the company by introducing a new organizational structure. We had the privilege of announcing Jim Sullivan as our **Chief Operating Officer** and Leslie Hyde as **Chief Sustainability Officer**. As part of our focus on putting people first, we evolved our human resources function to serve as our **Culture and Engagement** team under the continued leadership of Dan Groves and welcomed Lance Hyde as Director of Global **Inclusion and Diversity**, while also evolving our safety, health and environment function to serve as our **Zero Harm** team under the continued leadership of Joe Dowd.

Together, these leaders and teams will continue to move Koppers forward. In her message, Leslie shares more details about our work to advance our Sustainability strategy and promote aspirational targets to position Koppers for long-term success. Our goal remains: to be an industry leader while pursuing Zero Harm through an evolving business model that will thrive for generations into the future.

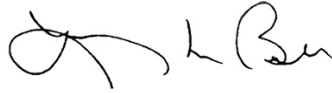
Personally, I couldn’t be more proud of our Koppers team. Despite the challenges of COVID-19, our employees have shown up every day to serve our customers by manufacturing essential products and providing critical services that help transport goods, power our homes and businesses, and keep our infrastructure strong. Their commitment to doing this while also keeping each other safe and taking care of their communities has been truly inspiring.



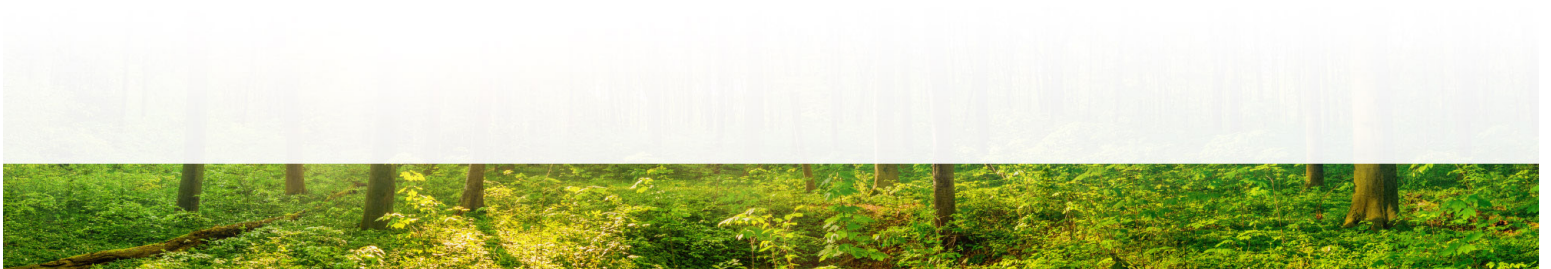
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Looking ahead, we believe our Sustainability efforts will help us navigate these challenges and create opportunities for long-term growth. Our continued thoughts are with all who have been impacted by COVID-19, and we join together to salute the courage and dedication of essential frontline workers and the healthcare community worldwide.

Thank you,



Leroy Ball
President and CEO, Koppers



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A message from our Chief Sustainability Officer

*Koppers aspires to be a leader in Sustainability through the ways we operate our business, care for our communities, and secure success for all our stakeholders. Sustainability is a journey we undertake with a steadfast commitment to—and belief in—our ability to create positive change. With a greater appreciation of Koppers place in the world, our decision-making going forward will be guided by a clear and unifying Purpose: **To Protect What Matters and Preserve the Future.***

Koppers has taken several significant steps this year to put this commitment into action and better integrate Sustainability throughout all parts of our organization.

1. Changing our Corporate Governance

Transforming from the top, we added to the responsibilities of the Safety, Health and Environmental Committee of our Board of Directors and renamed it the Sustainability Committee to intentionally prioritize Sustainability concepts including climate change, resource protection, human rights, human dignity, and the promotion of inclusion and diversity. Koppers also established a Chief Sustainability Officer position, reporting directly to the CEO. It is my honor to serve in this new role, focused on Protecting What Matters and Preserving the Future while ensuring that the company's strategy, policies and practices are consistent with its Sustainability goals.



Protecting
WHAT MATTERS
Preserving
THE FUTURE
KOPPERS

2. Conducting a Global Reporting Initiative Materiality Assessment

To ensure our efforts have the most impact, Koppers conducted a materiality assessment using universally accepted practices as defined by the Global Reporting Initiative (GRI). After extensive work with internal and external stakeholders, along with applying leading frameworks and guidance, we are prioritizing our most important Sustainability topics based on this vital assessment. We have shared the results with you in this report.



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3. Aligning with the United Nations Sustainable Development Goals

Using the United Nations Sustainable Development Goals as a foundation, we will be announcing long-term, aspirational Sustainability goals that will focus our efforts and guide development of the necessary infrastructure to attain them. This process will connect our aspirational commitment to the daily work of our employees worldwide.

As we continue our Sustainability journey, we recognize that we are in the service of something bigger than ourselves. Protecting the things that matter in our world will help us preserve the future for generations to come.

In the spirit of collaboration, I invite you to read this report and contact us at sustainability@koppers.com to continue this important conversation.

Thank you,



Leslie Hyde
Senior Vice President and Chief Sustainability Officer



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Our Response to COVID-19

During this unprecedented time, Koppers Purpose—Protecting What Matters, Preserving the Future—has never been more meaningful. As an essential business the company has taken significant and proactive actions in response to the COVID-19 pandemic and aligned the business with key priorities:

- Protecting the health and safety of employees, customers and supply chain partners.
- Providing critical products and ongoing support to its essential customer base.
- Maintaining adequate liquidity and financial flexibility.
- Providing frequent and transparent communication to key stakeholders.
- Advancing key initiatives in order to emerge stronger from the crisis.

Koppers is proud to do our part to keep railroads running safely to deliver critical shipments of food and other supplies, to keep homes and businesses powered by working to ensure light, heat and digital connectivity continue uninterrupted, and to serve construction markets with products to maintain critical infrastructure. The fact that Koppers has been designated as 'essential,' along with our customers and supply chain partners, has enabled our company to conduct business, operate at nearly full strength and provide necessary products and services during this unprecedented global challenge.

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Increasing Communication

In response to the pandemic, Koppers activated a strategic communications plan focused on key stakeholders, including our employees, customers, suppliers, banking group and investment community.

“It is my hope that by providing more frequent dialogue, all stakeholders will have the most up-to-date information to inform their decision making,” said Leroy Ball, President and Chief Executive Officer.

Weekly CEO video messages are shared with employees on both internal channels and social media to reach the widest possible audience. To ensure safety and continuity of essential business operations, the company is in regular communication with customers, suppliers and local municipalities. The company also announced its intention to provide monthly updates to the investment community for the foreseeable future through a press release as well as a conference call and related webcast.



Employee Health and Well-being



Built on the foundation of the company's Zero Harm philosophy, the company's robust pandemic response included a wide range of measures to ensure safety and well-being of employees, while continuing to operate effectively. Actions taken at the company's facilities include strong social distancing protocols, staggered shift starts and breaks, heavy disinfection procedures, identification of employees with COVID-19 symptoms or exposures and paid quarantine periods for identified employees. At Koppers office locations, employees began to work from remote locations prior to government requirements to do so. Koppers continues to monitor and assess science-based guidance from health agencies such as the Centers for Disease Control and World Health Organization and uses their guidance to inform our response plans.

Community Support

Across the world, Koppers employees are rallying to make a difference in their local communities. A shining example is our facility at Stickney, Illinois, where employees donated desperately needed personal protective equipment (PPE) to a local hospital, including protective suits, gloves, safety glasses and more than 1,500 R-95 masks. The Koppers team also expanded their existing relationship with a local homeless shelter, helping to increase shelter capacity as a trusted community safe space and providing PPE for volunteers along with other essential supplies.



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Other highlights include:

- A Nyborg, Denmark employee using technical know-how to procure ingredients and produce hand sanitizer for coworkers.
- A Plant Manager in Auckland, New Zealand offering to share an excess of supplier-donated PPE with other Koppers locations in need.
- Koppers employees volunteering to make cloth face coverings for colleagues.
- A Pittsburgh employee and his wife sewing masks for healthcare workers in New York where they have family and friends on frontlines.
- Maintaining COVID-19 protocols, employees quickly and safely shipped more than 100 loads of replacement utility poles after tornadoes in April, helping to restore power to more than 3,000 residents in Dayton, Ohio.
- Koppers has also partnered with the Urban League of Greater Pittsburgh (ULGP) to launch a community-wide fund to obtain and distribute essential household products to underserved neighborhoods. The fund – named “[All One Pittsburgh](#)” – has been created to help residents in some of the region’s most vulnerable communities gain access to essential but hard to find products such as disinfectants, hand sanitizers, paper towels and toilet paper to help stop the spread of COVID-19.



“We are heartened and encouraged by Leroy and Koppers compassionate leadership,” said ULGP President and Chief Executive Officer Esther L. Bush. “Looking out for our most economically challenged fellow citizens not only helps our entire community remain healthier during this crisis, it’s also another step toward the united, thriving Pittsburgh of the near future that we are all striving to bring into reality.”

“We are heartened and encouraged by Leroy and Koppers compassionate leadership.” – ULGP President and Chief Executive Officer Esther L. Bush



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About Koppers

A Leader in Wood Preservation Technology

Koppers Holdings Inc. (NYSE: KOP), headquartered in Pittsburgh, Pennsylvania, is an integrated global provider of treated wood products, wood treatment chemicals and carbon compounds.

Our products and services are utilized in a variety of niche applications across a diverse range of end-markets including the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber and construction industries. With more than 2,100 employees, we serve our customers through a comprehensive global manufacturing and distribution network, with facilities located in North America, South America, Australasia, China and Europe.

As the recognized leader in wood preservation technology, it is incumbent on Koppers to lead the industry to better approaches. We understand the obligation we have as a company to People, Planet and Performance and the benefits these three pillars bring to our stakeholders when they are brought to action in a collaborative manner. Our Purpose, Mission, Vision and Values are the cornerstones of our culture and they drive our success.

Purpose: Protecting What Matters. Preserving the Future.

Mission: Creating safe and environmentally responsible solutions that solve our customers' most important challenges and result in superior performance for shareholders.

Vision: To be recognized as the standard-bearer for safely delivering customer-focused solutions primarily through the development and application of technologies to enhance wood.

Values: Accountability, Customer Focus, Excellence, Innovation, Integrity, Respect, Simplicity, Sustainability, Teamwork and Transparency drive our overarching Zero Harm culture.

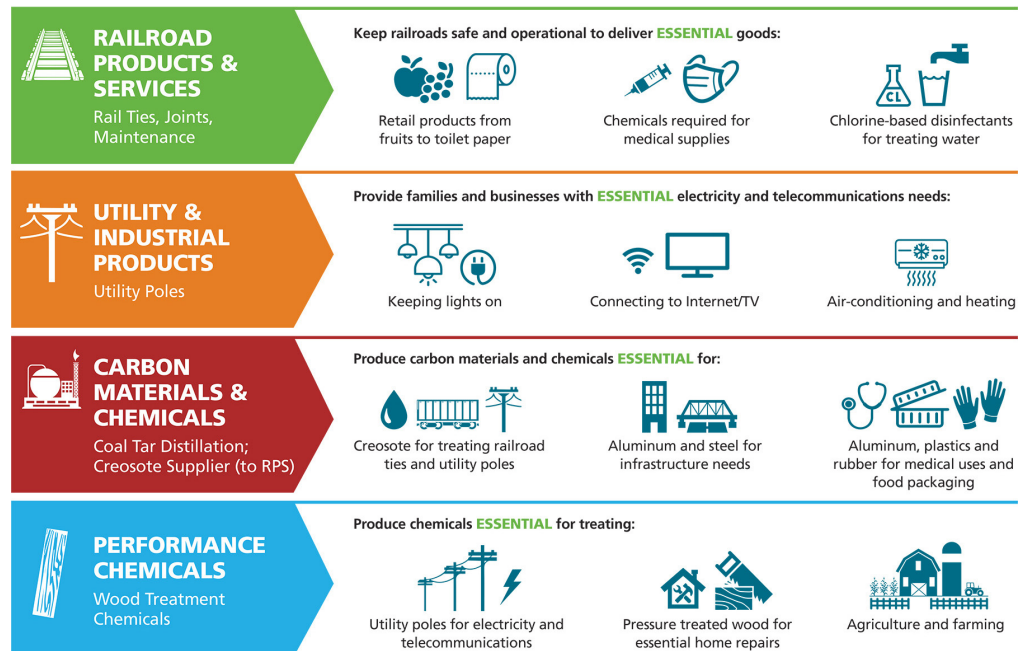


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Koppers Leadership Talks Purpose

Business Segments

Products and services that are essential to our world



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Railroad and Utility Products and Services (RUPS)*Capturing new opportunities and lifecycle solutions*

Koppers is a world-leading manufacturer of treated wood products, primarily used by the railroad and electric utility/communications industries. Treated wood makes railroad ties and utility poles more durable and resistant to decay, thereby increasing safety, reducing replacement costs, preserving valuable forests and immobilizing carbon that would otherwise be released into the atmosphere.

For many years, Koppers has been supplying the railroad industry with treated wood railroad ties and railroad crossing panel products. In North America, we believe that we are the largest provider of railroad crossties for the Class I Railroads and are well-known for our pre-plated crossties. We currently serve all North American Class I railroads and have relationships with many of the approximately 560 short-line and regional rail lines. These railroads are also the primary customer base for our railroad services business, which engineers, designs, repairs and inspects railroad bridges.

Our Utility Products and Services group manufactures utility poles and cross arms for utilities across North America and Australia.

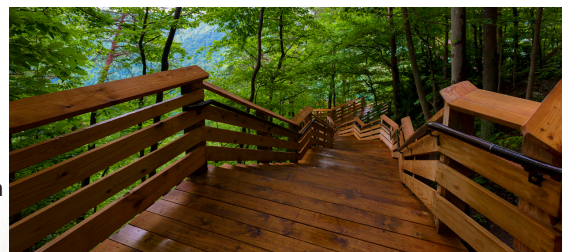
We also supply crosstie recovery services that provide railroads and utilities with integrated, environmentally friendly solutions to wood waste disposal, enabling them to work with a single vendor throughout the crosstie and utility pole lifecycle.

Performance Chemicals (PC)*Leading in water-borne wood preservatives*

Koppers Performance Chemicals is a global leader in the development of progressive wood preservative systems and technologies and represents a key strategic driver for the organization. With premier research capabilities and a dedicated staff of global wood science

**Employees Go Above and Beyond after Severe Storm**

Koppers Utility and Industrial (UIP) Products employees went the extra mile during their impressive recovery efforts in the aftermath of a severe storm. The Koppers UIP team functioned as Dayton Power & Light's primary supplier of utility poles during recovery efforts and played a critical role in getting power restored to the area.



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professionals, our team works diligently to devise new uses for wood as a replacement for other, less-sustainable materials. Koppers provides wood preservatives, engineering services and award-winning marketing to our valued customers in over 70 countries.

We supply nine of the ten largest lumber treating companies in the United States and the three largest lumber treating companies in Canada with innovative products to pressure treat lumber for decks, fences, landscaping and general building uses. We offer advanced protection against termite damage, rot and fungal decay, and provide wood preservatives that meet the most demanding construction needs. Our brands include MicroPro®, MicroShades®, Naturewood®, Advance Guard® and Hi-bor®. We are also a leading supplier of fire-retardant chemicals, with brands such as FlamePro® and FirePro® for pressure treatment of wood, primarily in commercial construction. These brands carry numerous environmental certifications including National Green Building Certification and the Scientific Certification Systems' Environmentally Preferable Product certification based on lifecycle assessments.

By treating wood and extending its uses and capabilities, Koppers is driving demand for wood products with significant environmental benefits. Multiple global trends – including shifts in demographics, accelerating urbanization and technology and climate change – are increasing demand for treated wood in residential and industrial uses as a safe, high-performing, cost-effective and sustainable alternative to materials like steel or concrete.

Carbon Materials and Chemicals (CMC)

Playing an integral role between steel and aluminum sectors

Koppers carbon materials and chemicals are essential inputs in the production of aluminum, steel, plastics, resins, treated wood and rubber products. Our products also increase the durability of many outputs including railroad ties and utility and transmission poles, leading to longer-lasting goods that protect global infrastructure.

As a leading distiller of coal tar, a by-product of the transformation of coal into coke, Koppers produces carbon pitch, refined tar, creosote, carbon black feedstock and chemical oils. The chemical oils resulting from distillation are used to produce naphthalene and phthalic anhydride. This distillation process is an example of the Koppers Sustainability business model – taking materials that would otherwise be disposed or burned (considered a mid-point in the circular carbon economy) and converting them to a productive use.



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Governance and Ethics

Policies, procedures and leadership

To assure accountability to our stakeholders, Koppers corporate governance structure is strategically designed to ensure we conduct business ethically and responsibly.



Corporate Governance

As a globally operating company, we recognize the variety of potential impacts our operations can have. Our comprehensive [Code of Conduct](#), available with other governance documents in the [Corporate Governance](#) section of the Investors Relations page on our website, fully details the expectations and requirements we have for all of our employees. Reinforced by our company values, the Code of Conduct applies to all areas of our operations, whether we are engaging in peer-to-peer interactions, ensuring compliance with complex regulations, marketing our products, purchasing materials, creating new products, managing our finances or interacting with our communities. We expect our suppliers, contractors and other business partners to exhibit comparable values and principles, and to adhere to our Code of Conduct when operating on our behalf.

Training employees on the Code of Conduct is a key aspect of our approach to ethics. We require every Koppers employee to complete training on the Code of Conduct annually. We also conduct focused trainings on specific topics that are relevant to employees with particular responsibilities.

We encourage our employees who have questions regarding the Code of Conduct and other ethics issues to seek guidance on conformity. Similarly, if an employee recognizes a potential ethics violation, they are empowered to notify the appropriate management personnel so that Koppers can investigate and take appropriate corrective action. Employees can also utilize the Koppers Compliance Line, a free confidential resource available 24 hours a day, seven days a week, to ask questions or raise concerns. Another option for anonymous reporting is our third-party email reporting system.



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Board of Directors

Our [Board of Directors](#) is broadly responsible for contributing to the strategic direction and oversight of the company. This includes ensuring the company operates in a legal, ethical and socially responsible manner, while maximizing long-term shareholder value. Specific duties and responsibilities of the Board include developing effective measurement systems that will evaluate and determine the company's degree of success in creating long-term economic value for its shareholders, reviewing the company's long-term strategy and overseeing risk assessment and management processes.



The Board is currently composed of eight directors, seven of which are independent. Directors are elected annually and, other than our CEO, directors who are first elected to the Board after August 2, 2017 are limited to serving 15 years. The Nominating and Corporate Governance Committee seeks to elect Director candidates from diverse educational and professional experiences and backgrounds. Candidates are evaluated on various criteria, such as their broad-based business skills and experiences, prominence and reputation in their profession, long-term interests and personal integrity.

In 2019, we held eight Board meetings. Board and committee meeting attendance was strong with a cumulative director attendance rate of 98 percent.

There are five board committees, including Audit; Management Development and Compensation; Nominating and Corporate Governance; Strategy and Risk; and Sustainability.

As corporate governance and performance stewards, Koppers management regularly communicates with our shareholders and other stakeholders in a variety of ways including financial reports, proxy statements and periodic filings. Koppers Leadership Council is responsible for directing the development and implementation of the company's strategic plan and business operations around the globe. These executive leaders establish and maintain Koppers commitment to ethics, integrity, fiscal responsibility, growth and Sustainability.

Detailed information about all of the Board's [committees](#) can be found in the Investor Relations section of the company's website.



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Building on our legacy through leadership and engagement

Koppers significantly advanced the company's Sustainability strategy in 2019 and 2020 by establishing new governance structures; fostering organizational alignment; assessing and prioritizing initiatives and opportunities, risks and impacts; and working to establish new benchmarks and forward-looking goals.

Koppers Sustainability Vision

We are honored to be in service of something bigger than ourselves and our decision-making will be driven by the greater role we can play in impacting our world for the better. That's why for us, Sustainability is about operating our business in a way that ensures we are taking care of our people and communities, fostering an inclusive and innovative workplace, being a good steward of the environment and contributing beneficial products to society for generations to come. Doing what's right is the only true way we can earn the opportunity to remain in business, offering value – in all its forms – to our people and our external stakeholders.

Governance

Enhancing oversight and focus

Representative of our ongoing work to integrate long-term Sustainability into our business, the Board's new Sustainability Committee, formed in 2020, recognizes the broader responsibilities of a corporation to not only manage Safety, Health and Environmental concerns, but also address other societal needs relating to People, Planet and Performance.

The [Sustainability Committee](#), chaired by Sharon Feng, Ph.D., is responsible for assessing the company's safety, health, environmental, security and Sustainability policies, programs



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and initiatives in accordance with Responsible Care® principles. The Committee is also responsible for reviewing significant legislative, regulatory and social trends around these programs and initiatives. These assessments are carried out through reviews of management practices and results, oversight of matters relating to improving or enhancing the company's global corporate stewardship, and practices of conscientious corporate social responsibility and product safety.

Leadership and Engagement

Fostering participation and progress

In January 2020, the company announced the election of Leslie Hyde as Koppers first Chief Sustainability Officer. As a member of the company's Leadership Council, she is responsible for driving global Sustainability initiatives while advancing the company's strategic vision for the future. She also leads mergers and acquisitions, enterprise risk management and product stewardship along with communications, community relations and government affairs functions.

To enhance strategy and goal-setting efforts, a Sustainability Leadership Team was established, with support from a Steering Committee made up of employees from areas that well represent the breadth of our organization. They will work with Functional Area Sustainability Tactical (FAST) Teams and Individual Goal Owners to set new baselines and targets.

Materiality

Assessing our impacts

As part of the company's efforts to enhance Sustainability strategy and reporting, Koppers conducted a materiality assessment in line with the Global Reporting Initiative Standards.

Our Process

Engaging stakeholders, leveraging key frameworks and prioritizing opportunities

The materiality assessment considered a full range of environmental, social and governance topics based on relevant sources and frameworks, including: the American Chemistry Council's Responsible Care® guidelines, the Sustainable Forestry Initiative, the World Business Council for Sustainable Development's Chemical Sector Roadmap for the United Nations Sustainable Development Goals, and the Sustainability Accounting Standards Board's standards for the Chemical and Building Materials & Construction industries.



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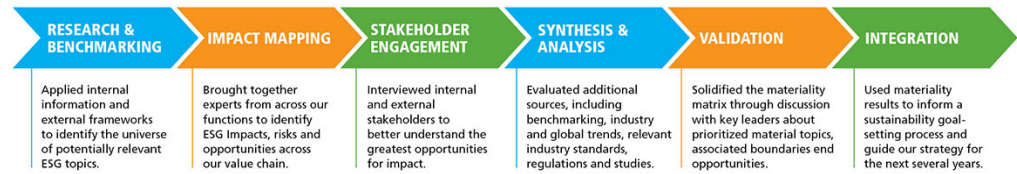
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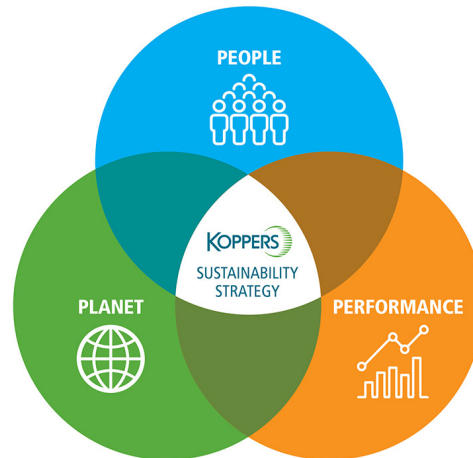
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Materiality Process

The results of this process were shared and validated with senior leaders and used to identify key topics and strategic pillars representing priority areas of focus for the company: People, Planet and Performance.

**People**

- Public Health and Safety
- Occupational Health and Safety
- Talent Attraction and Retention
- Inclusion and Diversity
- Community Engagement

Planet

- Circularity
- Environmental and Regulatory Compliance
- Climate Change/GHG Emissions
- Environmental Performance

Performance

- Financial Performance
- Innovation
- Product Stewardship
- Responsible Supply Chain Management

Materiality Results

With an enhanced governance structure for Sustainability, Koppers will further leverage the results of the materiality assessment – along with the company's overall strategic priorities and opportunities related to the United Nations Sustainable Development Goals – to fortify its Sustainability strategy and establish new baselines and forward-looking goals.

Stakeholder Engagement***Communicating internally and externally***

To inform our business strategy we consistently engage our employees, customers, suppliers, investors, regulators and communities. Our commitment to Zero Harm includes working with our stakeholders – both internally and externally – to understand their perspectives about our operations and the issues important to them.

We are proactive in evaluating and addressing community needs in the areas where we operate and we are proud of the strong connections Koppers representatives have made with local stakeholders on a variety of issues. These supportive relationships offer a forum for our people to share facility information and address any questions, observations, concerns and ideas voiced by our community members.



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Employees at our facilities regularly coordinate and participate in simulated emergencies, such as hazardous materials spills or fires, with local first responders. These exercises offer practical experience to ensure our facilities remain prepared to respond safely and effectively should a serious event occur.

We work to stay ahead of potential and emerging chemical safety regulations and compliance standards. We strive to understand all potential hazards associated with the chemicals we use, so we may share this information with our employees, customers, suppliers, investors, regulators and communities.

Koppers is active in numerous industry associations, where through our involvement we stay attuned to the perspectives of key audiences such as regulators and product safety groups. We also use these platforms to engage with our industry peers to share and promote best safety and Sustainability practices across our industry.

In 2019, Koppers and the company's employees played an active role in numerous organizations and trade associations, some of which include:

- American Chemistry Council (Responsible Care®)
- American Coke and Coal Chemicals Institute
- American Railway Engineering and Maintenance-of-Way Association
- American Wood Protection Association
- Association of American Railroads
- Go Rail
- National Safety Council
- North American Wood Pole Coalition
- Pavement Coatings Technology Council
- Railway Tie Association
- Society of American Foresters
- Treated Wood Council
- Electric Utility Industry Sustainable Supply Chain Alliance

Koppers clearly articulates policies and expectations regarding stakeholder engagement in our [Code of Conduct](#), available on our website.



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People

At Koppers, enhancing the safety, well-being and success of all of our stakeholders is critical to sustaining our business. We are committed to investing in our people across all aspects of the employee experience and proactively identifying and addressing stakeholder needs in the areas where we operate. The heart of this commitment and our corporate culture is Zero Harm. We believe that placing the care and protection of our people and local communities first will lead to a better, brighter future for our company and stakeholders alike.

The importance of this belief has become ever more apparent with the inexcusable racial injustice we have seen in the United States. The abhorrent treatment of the African American community that has long existed and that continues across the country is undeniable. People should not have to live in fear based on their color of skin or gender, race, religion, sexual preference or any other affinity that makes up a person's identity. We are proud to have built a culture rooted in care, respect, dignity and diversity of thought, opinion and background. We must continue to strengthen this culture in light of the challenging circumstances we face. Koppers will continue to stand together in rejecting racial injustice and will take an active part in working towards solutions rather than dissonance. As global citizens we must come together and be the ray of hope that unites rather than divides.

Public Health and Safety

Delivering on our responsibility

As a company we are driven to be recognized as a leader for safely delivering customer-focused solutions through wood products enhanced by the application of innovative technologies. Our customers and stakeholders trust us to provide safe and reliable products and, as part of our purpose, we strive to deliver on this trust. Our Quality Policy exemplifies this, building upon the Zero Harm foundation, our culture, processes and



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management are embedded within it as essential components to bring our purpose to reality. As a company, we will not compromise safety, compliance or quality for fleeting advantage. Each Koppers employee is empowered to take action to protect any stakeholder who may be affected by our products or operations. Together, we embrace the responsibility we share to achieve our objectives and maintain our standards.



Koppers customers value us for our attention to detail and innovative solutions, which drive quality and address complex issues in a timely fashion. At our facilities across our global reach, we train our employees to consistently deliver on quality standards, while placing the safety and health of our people and communities at the forefront.

At our facilities, we strive to ensure overall safety as well as the safety of surrounding communities. One way we do this is through regular safety trainings with local first responders. In 2019, our Mayfield, New South Wales, Australia facility collaborated with the local Fire Brigade to conduct a full-scale emergency exercise to help both parties prepare for a potential emergency. The exercise used a simulated emergency scenario where a crack opened in an oil line causing it to run directly into a hot furnace, resulting in an explosion. The Fire Brigade and the Koppers team worked together to locate and ensure the safety of employees who may have been affected, and to extinguish the simulated fire. The exercise was a tremendous success and served as an invaluable learning experience for the participants.

Product Safety

	2019	2018	2017
Percentage of Products and Services Assessed for Improvement	100	100	100

	2019	2018	2017
Product Incidents Resulting in a Fine or Penalty	0	0	0
Product Incidents Resulting in a Warning	0	0	0
Product Incidents Violating Voluntary Codes	0	0	0



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Zero Harm

Our Zero Harm culture is the foundation of our business. We put the safety and well-being of our employees, the protection of the environment and the strength of our communities ahead of all other priorities. Our employees bring this commitment to life with whole-hearted passion and process-oriented discipline, while understanding the importance of embodying Zero Harm every day.



We codify our approach to Zero Harm through our [Safety, Health and Environmental Program](#), which reflects our commitment to:

- Compliance with all applicable safety, health, environmental and security laws, regulations and other requirements that apply to Koppers.
- Pollution prevention in order to preserve the environment for the health, productivity and enjoyment of future generations.
- Protection of people through the management of product, process and other safety risks.
- 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.

Safety Performance

Employees	2019	2018	2017	2016
Total Recordable Injuries and Illnesses	73	64	58	60
Days Away Injury Count	27	25	20	19
Restricted/Transferred Injury Count	10	16	18	21
Other Recordable Injury Count	31	23	18	19
Recordable Cases of Work-related Ill Health	5	0	2	1



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Employees	2019	2018	2017	2016
Main Types of Work-related Injuries	Sprains/Strains and Cuts/Lacerations	Sprains/Strains and Bruises/Contusions	Sprains/Strains and Cuts/Lacerations	No Data
Number of Hours Worked	4,839,565	4,785,340	3,878,948	4,088,945
Total Recordable Rate	3.02	2.67	2.99	2.96
Total High-Consequence Injuries	2	4	5	4
Total High-Consequence Rate	0.08	0.17	0.26	0.20
Number of Fatalities	0	0	0	0
Fatality Rate	0.00	0.00	0.00	0.00
Main Types of Work-related Ill Health	Respiratory Disorder	N/A	Dermatitis and Irritation	No Data
Work-related Ill Health Fatalities	0	0	0	0
Contractors				
Total Recordable Injuries and Illnesses	7	2	1	0
Recordable Cases of Work-related Ill Health	1	0	0	0
Contractors				
Main Types of Work-related Injuries	Bruises/Contusions	Fractures and Burns	Cut Lacerations	No Data
Number of Fatalities	0	0	0	0
Work-related Ill Health Fatalities	0	0	0	0
Leading Activities				
Near Misses Reported	375	217	129	147
Physical Hazards Identified	1,862	782	No Data	No Data
Employees Observed	12,455	11,737	7,585	No Data
Contractors Observed	2,208	1,907	1,118	No Data

Occupational Health and Safety

Safety is who we are and in everything we do. As exemplified by our Zero Harm culture, we strive to ensure all of our employees work safely and return home in the same condition as when they left. Safety at Koppers is governed through four levels of the



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business. These four levels include our on-site SHE Councils, business unit SHE Councils, executive SHE Council chaired by CEO Leroy Ball, and the Board Sustainability Committee chaired by board member Sharon Feng. Every serious safety incident is discussed at each of these levels as required by our Safety, Health and Environmental policy and program. The councils at the different levels of the company provide oversight, a conduit for feedback regarding operational and policy impacts on employee safety and dialogue related to resource needs to protect people and communities.

Our Zero Harm team supports our safety focus by providing all of our operations with the tools and information they need to be safe and successful in accordance with regulatory requirements and established best practices. We regularly evaluate the safety of our processes, products and raw materials to understand what we are doing well and where we can make improvements. When these evaluations find areas where safety can be improved, we make every effort to correct the issues in a timely manner.

Reporting and Training

We require our employees to report every incident that occurs at our facilities. When an incident is reported, we take immediate action to investigate its root causes. We then develop strategies to reduce the likelihood of the incident occurring again and introduce these strategies across our operations to ensure safety.

To ensure our employees are aware of the potential safety risks of their work activities and the actions they can take to mitigate hazards, we conduct regular safety trainings. These trainings take place at every facility, every year, and follow an observations-driven process. This process starts with trainings for our management who we work with through online-based trainings on facility safety evaluation best practices. Our Zero Harm team then works side-by-side with our managers during their interactions with frontline employees and guides them on ways to be more effective in their safety discussions. The managers then take this information and deliver it to our employees through interactive observations where potential hazards are identified and resolving actions are discussed. These trainings are designed to be constructive and to positively reinforce safe behaviors, while also helping to develop risk identification skills. Utilizing these skills, our employees also proactively reported 12,445 safety observations across our global footprint in 2019. We have also begun to include contractors in these trainings and we plan to increase their involvement in the future. Additionally, all of our employees have access to a comprehensive online library of safety and environmental trainings as well as other job-related training topics that they can take to further their development.

We also utilize a web-based training program to help new employees develop their safety practices. These modules teach best practices and how to constructively engage with other employees on safety issues. In addition to these on-boarding trainings, new employees learn about and discuss Koppers approach to safety on day one. We subsequently send follow-up surveys to employees 30, 60 and 90 days after their start date to better understand their training experiences and what we can do to improve.



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Management of Change

In 2019, we developed a new global policy that requires Management of Change (MOC) trainings and processes to be utilized across all of our operations. MOC is required whenever personnel changes occur, new equipment is utilized, new materials are introduced to a process, or when equipment is relocated at our facilities. These practices are proactive and help ensure the safety of our employees and contractors by identifying and anticipating hazards that may have been introduced by a change. The potential hazards identified are then assessed and an appropriate mitigation strategy is developed and introduced.

Our Goal: Zero

Our Zero Harm culture drove considerable safety improvements in 2019. Although we have not yet achieved our goal of Zero, we continued to make significant progress.

Highlights of our safety strategy include:

- **Prioritizing Hazard Exposure Identification:** Koppers defines Serious Incidents and Serious Incident Precursors as injuries or events that have the potential to alter a person's life. Precursors describe high-risk situations, or exposures, that may result in a serious incident if allowed to continue, and are normally reported as a near-miss or minor event that—under slightly different circumstances—could have resulted in a Serious Incident.
- **Incident Prevention:** After reviewing extensive safety data related to recordable incidents in our facilities, a team of employees identified that a small percentage of employees were involved in a disproportionate number of injury incidents. Illuminating this important issue led to a work group that has created a safety intervention process for employees that are “at risk” for a serious workplace injury. The program has been built to provide employee assistance resources for engrossing problems such as serious personal or family issues, as well as tailored training to reduce the risk of serious injury.
- **Fleet Safety and Management:** We leverage an excellent fleet safety system utilizing best-in-class software and training programs to measure, manage and improve the safety of our transportation fleet and the professionals that operate it.
- **Contractor Safety:** Our contractors are valued contributors to Koppers success. Like our own employees, it is imperative that their health and safety is protected. We specifically partner with contractors who place considerable value on safety and utilize recognized best practices. All of our contractors are required to report all injuries that occur at our facilities and provide all relevant incident investigation data. These incidents are treated like one of our own and the same processes we use for our own operations are employed to prevent them from occurring again. Before any contractor performs work at one of our sites they undergo site specific safety training. Additionally, Koppers uses a Permit to Work process that ensures plant areas are safe before contractors begin their work.



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Koppers Life Saving Rules

The heart of our Zero Harm culture is protecting lives. Our Seven Life Saving Rules represent what we believe to be the most effective strategy to prevent serious injuries. Built on an evaluation of company-wide accident data and on-site safety observations, the rules highlight the seven most dangerous activities inherent in the work we do. Each rule gives precise guidance regarding what is required while completing these hazardous tasks. The rules also provide a structure for all Koppers employees to identify hazardous tasks and stop work when the proper safeguards are not in place.



PROTECT YOURSELF FROM A FALL
when working at heights



WORK WITH A VALID WORK PERMIT
when required



VERIFY ENERGY ISOLATION
before work begins



VERIFY SAFETY PROTECTIVE DEVICES ARE IN PLACE AND FUNCTIONAL
before operating equipment



FOLLOW SAFE DRIVING PRINCIPLES
for motor vehicles and rolling equipment



POSITION YOURSELF IN A SAFE ZONE
in relation to moving equipment



FOLLOW CONTROLLED LIFT PLANS
for suspended loads

Every Koppers employee is trained on the Seven Rules and how they work, and empowered to stop work wherever and whenever they observe or suspect a deviation from the Rules. Based on our foundational belief of the unacceptability of exposure to a life-threatening hazard to anyone within our facilities, we work to leverage learning experiences by launching investigations into any deviation from the Seven Rules whether or not a reportable incident resulted. Additionally, when a life-threatening hazard is detected we immediately suspend work until we are confident the hazard has been effectively resolved.

Zero Harm Culture

Our leadership is fully committed to promoting our Zero Harm culture. This commitment is exhibited annually at our Zero Harm Leadership Forum where leaders from across our global footprint, including plant managers, come together for an in-person idea exchange. The Forum serves as an excellent opportunity to facilitate meaningful interactions among our top global leaders around our commitment to the continued improvement of our safety, environmental and Sustainability management. It also provides a platform to recognize our teams and employees who have demonstrated exceptional safety and environmental leadership. Our CEO, Leroy Ball, leads and actively participates in this weeklong gathering. Overall, the Forum provides tremendous learning opportunities through hands-on exercises, presentations and activities that are aimed at developing our top leaders. With this and our educational efforts at our facilities, we are working diligently toward the goal of operating our business within a culture of Zero Harm to our employees, the environment and the communities where we operate.



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Another way we cultivate our Zero Harm culture is through our annual Safety, Health and Environmental (SHE) Coordinators Conference. 2019's Conference was held in Norfolk, Virginia and brought together SHE Coordinators from around the world for a week of idea-sharing, learning and connecting. The event kicked-off with welcome remarks from CEO Leroy Ball and Zero Harm Vice President Joe Dowd. Throughout the week, participants took part in sessions and activities focused around three key themes.

For the first theme, "Making safety personal," Zero Harm team members reviewed numerous safety topics related to the Life Saving Rules, hazardous materials, transportation and process safety. "Reducing our company's impact on the environment" was the second theme, and during related sessions, a Virginia Tech professor spoke about steps coordinators can take to reduce environmental impacts at Koppers. The group also traveled to our Newsoms, Virginia facility to create floating wetlands. These floating wetlands were manufactured rafts composed of native wetland plants that float on the water's surface and, similar to a natural wetland, provide homes to beneficial, water-cleaning microorganisms. With the last theme, "Using technology to improve capabilities and communication," Wes Turner, the SHE Coordinator for our Rock Hill, South Carolina, facility, led a session for fellow coordinators on creating custom training videos at their facilities. Other sessions around the theme involved ways to utilize iPad apps and tools to help improve SHE capabilities and create tailored trainings at their facilities.

Bringing Zero Harm to Life

Our achievements in 2019 included multiple awards in recognition of our commitment to Zero and to safety this past year.

For the National Safety Council Occupational Excellence Award, 27 of our operating sites qualified. To be recognized for the award, the National Safety Council requires sites to have injury and illness rates that are better than or equal to 50 percent of other companies classified within its North American Industry Classification System (NAICS) code.

For the fourth time in the past five years, Koppers earned the Non-Accident Release Grand Slam Award from the Association of American Railroads for a perfect record of safety transporting hazardous materials. To win the annual award, a company must record zero non-accident releases with its shipments and be recognized for its safe practices by four Class I railroads. Each Koppers facility involved with rail shipping was awarded for its contribution with a trophy at a celebratory team lunch.

Our Railroad Structures division, based in Madison, Wisconsin, was presented with the Safety Award of Excellence by the Wisconsin chapter of the Associated Builders and Contractors. To be selected for the award, which is presented at the organization's annual Safety Awards luncheon, companies must have incident rates for OSHA recordables and lost work day cases that are at least 25 percent better than the industry average, have over 200,000 hours worked by employees, and a model safety program.



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In addition, President and CEO Leroy Ball was presented with the 2019 Safety in Action ICON Award by DEKRA Organizational Safety and Reliability. The award recognizes workplace leaders who make innovative contributions to organizational safety cultures within their organizations.

Our Employees



At Koppers, our ability to positively affect our communities and our planet starts with investing in our people. We put the health, safety and well-being of our employees at the forefront of everything we do as part of our Zero Harm culture. Our people-focused strategy considers all aspects of the employee experience, from hiring practices and onboarding to health and wellness and talent management.

We seek to create and foster an inclusive and welcoming culture where all employees feel empowered and can directly impact and share in the organization's success. Key to this effort is delivering a consistent onboarding experience, as well as communications and safety training in all facilities across the globe. Every decision we make as a company has our employees at the front of mind and for every action we take, employee health and well-being are always our first priority. To accomplish all this, and to better reflect the importance of our employees, we recently transformed our Human Resources functions into a Culture and Engagement team to enhance the employee experience. This transformation is one of mentality and action in how we approach our corporate culture, and how we engage with and support all employees on the job and in other aspects of their lives.

At the end of 2019, our workforce included 990 salaried employees and 1,130 non-salaried employees. Approximately 523 of our employees are represented by a number of different labor unions and are covered under numerous labor agreements.

Workforce Breakdown

Business	Salaried	Non-Salaried	Total
Railroad and Utility Products and Services	363	753	1,116
Performance Chemicals	227	150	377
Carbon Materials and Chemicals	284	216	500
Administration	116	11	127
Total Employees	990	1,130	2,120



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Employee Engagement



In 2019, CEO Leroy Ball visited 36 of our global locations where he spent time talking with the facility leadership teams, sitting in on Safety Committee meetings, participating in plant tours to get feedback from frontline employees and enjoying lunches or breakfasts with the entire facility team.

Out of these 36 visits, 21 were a part of the CEO Roadtrip. During the Roadtrip, Leroy took to the open road (just him and a car!) from March 11 to April 3, 2019 to visit many of our U.S.-based employees. At each facility, he shared a meal with employees, engaged in some kind of fun team building activity – from Jenga to a safety-themed scavenger hunt – and listened to employees' impressions, frustrations, hopes and ideas. Conversations during these visits deepened his understanding and appreciation of what makes this organization succeed and what will be required to be even better moving forward.



Some highlights of the Roadtrip include:

- In Huntington, West Virginia, Leroy cut a piece of rail for the first time and had the opportunity to observe the new facility robotic welder named "Amanda."
- Leroy accepted the invitation to ride in a boom truck with long-time employee Larry Frahmman at the Madison, Wisconsin headquarters of our Railroad Structures business. After his ride, Leroy took a tour of the on-site training area.
- In Guthrie, Kentucky, Leroy had a first-hand look at the innovative peer-to-peer safety observation system used by the facility's safety committee.
- Leroy had breakfast with the North Little Rock, Arkansas team, participated in a sports trivia contest and discussed ways to improve the plant with employees.

Employee Communication

Koppers prioritizes and promotes collaboration and communication through a strategic plan that engages employees at all levels in multiple ways. In addition to executive messages, videos and visits, all-employee company meetings, newsletters and our intranet keep people connected to the latest information. Communication boards have also been recently introduced at our facilities to share news and updates.



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Engagement Survey

As part of our annual engagement survey, Koppers employees have the opportunity to provide direct feedback to our leadership team. In 2019, we began using a new platform to deliver the engagement survey, which enabled employees to complete it by phone or computer. By enabling employees to complete the survey on their phone, rather than solely on a computer, we hope to increase responses from workers at our manufacturing facilities who may not always have regular access to a computer. The survey program is promoted through internal communication channels and face-to-face conversations. The 2019 survey had a 60 percent participation rate, which provides an opportunity for improvement. In future surveys we will look to continue to implement measures to further expand survey participation, particularly at our facility locations.

Upon completion of the annual survey, results are then communicated with action plans that lay out our strategies to address survey focus areas and employee feedback.

Health and Wellness**IT Team-building Conference**

Koppers growing and geographically diverse IT team had an opportunity to come together as one at a strategic IT planning conference in Pittsburgh. At the conference, IT team members participated in beneficial team-building exercises. One exercise involved each team member drawing a picture of something they like to do outside of work and then discussing this picture with another team member who they may not normally interact with. The exercises helped build bridges, increased camaraderie and boosted employee engagement for a group of employees that are rarely all in the same place.

Koppers believes a robust wellness program that encourages employee participation is key to promoting healthy lifestyles and decision-making.

Our wellness screening program for our U.S.-based employees provides

employees the opportunity to learn more about their health and daily routines. As part of this program, employees can earn incentives for completing a variety of wellness initiatives. In 2019, each U.S.-based Koppers location that achieved at least a 50 percent participation rate in our wellness program was eligible to elect a representative to send to our corporate headquarters in Pittsburgh, Pennsylvania for a Wellness Appreciation Event. Twelve locations hit the mark and selected a representative based on criteria such as participating in the program, showing a commitment to their personal health, serving as a role model for the challenge, and displaying enthusiasm for wellness. Elected participants traveled to Pittsburgh in October to meet with company leaders, take part in unique development opportunities and be recognized for their efforts in supporting our wellness initiatives. The participants also had dinner with CEO Leroy Ball and enjoyed a day of fishing, clay shooting and camaraderie around the campfire in the Pennsylvania mountains.



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Our Hubbell, Michigan facility took our belief in a robust wellness program to the next level with an employee vegetable garden. The idea for the garden was sparked through our iShare portal. A garden was suggested as a potential remedy to stabilize erosion from storm water at the Hubbell yard, while also promoting healthy habits and team-building. The idea was enthusiastically accepted, and the Hubbell team immediately started building garden boxes in the outdoor break area. Employees had the opportunity to harvest an assorted bounty of vegetables once they had ripened.



Recognizing the importance of supporting our employees in all aspects of their lives, we provide an Employee Assistance Program with a full range of supportive resources including financial wellness, mental health and family services. Koppers also offers four weeks of paid time-off for mothers and fathers who have a birth or adoption for our U.S.-based employees, as part of our parental bonding leave program. Additionally, we offer flexible work schedules with core work hours at our office locations from 9 a.m. to 3 p.m. Full-time employees at these locations can then decide whether to work their additional hours either before 9 or after 3, or a split between them.

Koppers encourages employee participation in the company's success through robust 401(k) and stock purchase programs. The U.S. 401(k) program includes both traditional matching and an additional non-elective company contribution based on organizational performance. When employees help the company achieve the established performance target, an additional contribution to their accounts is automatically triggered.

We are proud to offer our employees the option to acquire Koppers stock through an employee purchase program. The program gives our employees the opportunity to buy shares at a discount through payroll deductions during defined offering periods.

Talent Attraction and Retention

Our talented employees are what make our business successful, and it is essential that we set them up for success as well. It is also important that we continue attracting top talent to our workforce. Our Culture and Engagement team leads these efforts to attract, retain and develop our employees and has created various programs to enhance our workforce.

Recognizing the importance of a consistent and comprehensive onboarding and safety training experience for new hires across our facility footprint, our now fully implemented web-based training program ensures every employee receives the same messaging from the start of their employment. The new program includes two videos detailing Koppers and its primary business lines as well as a new hire folder filled with information on employee programs, services, benefits and more. We have also implemented a toolkit to help managers set up new employees for success and have begun to conduct regular new hire surveys to solicit feedback and identify opportunities for improvement.



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We also continue to evaluate and employ methods to identify at-risk behaviors during the hiring process to place prospective employees in appropriately suited positions where they can be successful and workplace injuries can be avoided. This behavioral data also enables us to tailor training and onboarding based on the opportunities it highlights.

Performance Management

To ensure our employees are set up for success, our performance development process includes periodic meetings between employees and managers to discuss their goals and strategies to achieve them. We no longer conduct traditional annual reviews and instead opt for these more frequent two-way discussions focused on fostering ideas that will enable employee success. Each manager is expected to meet at least monthly with their employees to discuss tailored strategies to encourage employee success like trainings, conferences or connection introductions. These monthly meetings also help managers gauge employee engagement and develop approaches to increase and sustain fruitful engagement.

We have also implemented a New Hire Mentoring Program as another component of our development process. The program provides both hourly and salaried employees an extra opportunity to receive support from experienced employees and discuss any ideas they may have for improving our operations. Prior to participating, mentors and mentees will receive training on getting the most out of the Program and surveys are conducted throughout to measure success.

Training and Education

As a part of our people focused approach to our operations, we are dedicated to helping our employees thrive in their roles and grow both personally and professionally. A major component of this dedication is our commitment to providing each employee with the training and education they need to be successful.

Koppers fosters innovation and develops our next wave of talented employees through the Koppers Leadership Forum, an intensive 9-month program conducted in partnership with Robert Morris University. Approximately 10-12 Koppers employees from across the world are chosen for each cohort. Selected participants travel to our corporate headquarters to take part in workshops facilitated by university professors and business leaders. We also offer our employees a tuition reimbursement program for them to pursue degrees and certifications related to relevant skills they utilize for their positions to further personal and company success.

At Koppers, we are committed to developing the next-generation of talent. Today, technology is rapidly transforming manufacturing and trade jobs and they now require a strong background in high demand technical and manual skills. As part of our work



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to attract our next-generation of talent, Dan Baade-Pedersen, a plant manager at our Nyborg facility in Denmark, and three Koppers apprentices represented our company at a local vocation-training fair. For the fair, Koppers joined forces with local industrial companies and high schools to highlight skilled trades opportunities to students and their parents. Our participating Koppers employees shared their on-the-job experiences and the various career paths available.

In another example of our commitment to developing the workforce of the future, our employees at our Hubbell, Michigan facility hosted a group of 38 students and their mentors from the TRIO Program at Finlandia University. TRIO is a federal outreach and student services program designed to identify and provide support for individuals from disadvantaged backgrounds. The students participated in a tour of the Koppers plant, a career choices conversation about degrees in the STEM field and had the opportunity to partake in an interactive science activity.

Inclusion and Diversity

At Koppers, we are proud to support an inclusive and diverse work environment across our company through a range of strategic programs. Our internal processes and programs target inclusion and diversity as a key area of importance and externally we place emphasis on the topic during philanthropic activities. In early 2020, we hired our first Director for Global Inclusion and Diversity, who is focused on supporting Koppers strategy to be an employer of choice and will chair the company's Inclusion and Diversity committee, which will help to ensure that all employees feel they are heard and valued to harness the full power of an engaged workforce.



We are committed to building and sustaining a corporate culture where people of all backgrounds are valued and are successful no matter their background. It is our aim for prospective employees to recognize this, and our recent partnership with the Urban League of Greater Pittsburgh (ULGP) for the "All One Pittsburgh" COVID-19 campaign embodies our commitment. Recognizing both the health and economic challenges the COVID-19 pandemic brings to underserved neighborhoods, the partnership launched a community-wide fund to obtain and distribute essential household products. The fund is focused on distributing disinfectants, hand sanitizers, paper towels and toilet paper to neighborhoods with acute supply shortages including Duquesne, the Hill District, Homewood and the Northside to stop the spread of COVID-19. In addition to supporting these communities through the distribution of essentials, the fund accepted financial contributions from individuals who wanted to help.



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Working in support of the ULGP, our employees and others across the region can and will make a difference for our neighbors in need during this crisis. We are All One Pittsburgh – with a long history of rising up together with compassion and generosity to meet any challenge that comes our way. I know this time will be no different and we all will get through this together.” – CEO Leroy Ball

Our focus on developing diverse talent starts before a prospective employee even joins the company. Taking inspiration from best practices and well-known programs, the company’s employment pipeline must provide each hiring manager with a diverse slate of candidates to ensure representative access and opportunity.

LINKwomen, our first employee resource group, aims to increase the visibility and development of women within the company. To do this, the group provides programming to build leadership and spotlight development opportunities for participants. LINKwomen recently won the “On The Rise” Award in the Employee Business Resource Group category at Vibrant Pittsburgh’s Inclusion Summit. The Award was given in recognition for LINKwomen’s work to advance inclusion and diversity, overall performance, innovation and company growth. Additionally, LINKwomen invites and encourages both female and male employees to participate in all events – it truly is inclusive.

We are proud to partner with The Advanced Leadership Initiative in Pittsburgh as they work to develop African American business leaders. The Initiative, in partnership with Carnegie Mellon University, executes their work through their Executive Leadership Academy, which provides local African Americans in leadership roles with the tools, exposure and training necessary to contribute to their organizations and communities at the highest levels. CEO Leroy Ball and Vice President of Culture and Engagement Dan Groves participate in the Initiative through the Corporate CEO Council and Advisory Board, respectively, and two of our own employees have also been a part of Initiative cohorts.

Our Workplace Violence Policy, which we updated in 2018, is another way we work to create an inclusive and welcoming work environment. The Policy includes guidance related to workplace and domestic violence, including what it is, how to report it and where to access trusted tools and resources. Training was also provided to the Culture and Engagement team on how to manage employee concerns about safety. Additionally, Koppers provided partner violence prevention training for all Pittsburgh-area employees and employees at operating facilities in the U.S.



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Board Diversity

Our Board of Directors provides oversight of our continued efforts to build strength through diversity of talent and experience. We are proud of our Board's recent recognition by the Pittsburgh Business Times, ranking third for diversity on boards and ranking first for women on boards at Pittsburgh public companies. The Koppers Board was nominated for the National Association of Corporate Directors (NACD) NXT Award for displaying excellence in utilizing board diversity and innovation as a strategy for building long-term value. Koppers was one of only six honorees from across the United States to be selected as a finalist in the small-cap category.

In addition, three members of the company's Board of Directors were named to WomenInc. magazine's 2019 Most Influential Corporate Directors. Those receiving this recognition include Sharon Feng, Ph.D., Traci L. Jensen and Sonja M. Wilkerson. "At Koppers, we have a dynamic and diverse board of highly-accomplished leaders whose contributions are vital to our company's success," said CEO Leroy Ball. "To have Sharon, Traci, and Sonja spotlighted this way only proves what we already know in that we are fortunate to benefit from their unique perspectives and professional excellence. We congratulate these Board members and are honored to have them as part of our team."

Inclusion and Diversity Metrics

Please note: All data as of December 31 for each year. Includes contingent workers.

Number of Employees by Gender	2019	2018	2017	2016
Female	308	310	244	241
Male	1,746	1,822	1,494	1,544
Undisclosed	70	69	61	55
Total	2,124	2,201	1,799	1,840

Number of Employees by Region	2019	2018	2017	2016
Australia/New Zealand	184	188	181	178
China	99	99	100	108
Europe	155	154	167	158
North America	1,668	1,742	1,331	1,379
South America	18	18	20	17
Total	2,124	2,201	1,799	1,840



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Employee Demographics	2019	2018	2017	2016
American Indian or Alaska Native (Not Hispanic or Latino) (United States of America)	7	8	5	3
Asian – Chinese (United Kingdom)	1	0	0	0
Asian (Not Hispanic or Latino) (United States of America)	16	17	18	15
Black or African American (Not Hispanic or Latino) (United States of America)	288	311	211	218
Decline to State (Australia)	110	119	123	128
Decline to State (Denmark)	52	53	52	56
Decline to State (Netherlands)	7	7	7	7
Han (China)	16	16	15	15
Hani (China)	1	1	2	2
Hispanic or Latino (United States of America)	86	76	65	74
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino) (United States of America)	2	0	2	1
Other (United Kingdom)	1	1	1	1
Two or More Races (Not Hispanic or Latino) (United States of America)	6	3	3	4
White – British (United Kingdom)	22	20	23	17
White – Irish (United Kingdom)	1	1	2	2
White – Other (United Kingdom)	1	0	0	0
White – Other European (United Kingdom)	1	1	2	2
White (Not Hispanic or Latino) (United States of America)	1,147	1,212	939	985
Undisclosed	359	355	329	310
Total	2,124	2,201	1,799	1,840

Employees by Age Group	2019	2018	2017	2016
<30 years old	354	406	340	370
30-50 years old	926	941	797	825
>50 years old	844	854	662	645
Total	2,124	2,201	1,799	1,840



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Manager Demographics*	2019	2018	2017	2016
American Indian or Alaska Native (Not Hispanic or Latino) (United States of America)	2	1	1	1
Asian (Not Hispanic or Latino) (United States of America)	7	8	7	6
Black or African American (Not Hispanic or Latino) (United States of America)	22	19	13	13
Decline to State (Australia)	39	41	40	38
Decline to State (Denmark)	16	15	15	16
Decline to State (Netherlands)	5	5	5	5
Han (China)	4	9	8	6
Hispanic or Latino (United States of America)	5	5	6	7
Other (United Kingdom)	0	1	1	0
Two or More Races (Not Hispanic or Latino) (United States of America)	1	1	1	1
White – British (United Kingdom)	11	20	22	8
White – Irish (United Kingdom)	1	1	2	2
White – Other European (United Kingdom)	1	1	2	1
White (Not Hispanic or Latino) (United States of America)	371	391	301	294
Undisclosed	88	133	125	78
Total	573	651	549	476

Managers by Age Group*	2019	2018	2017	2016
<30 years old	44	88	87	48
30-50 years old	271	296	243	236
>50 years old	258	267	219	192
Total	573	651	549	476

**U.S.-based employees*

The company's efforts to invest in its people continue to drive meaningful results. In 2019, Koppers' headquarters operations ranked as the No. 8 midsize company on the Pittsburgh Post-Gazette's Top Workplaces list, marking the third year in a row Koppers has made the list.



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Community Engagement

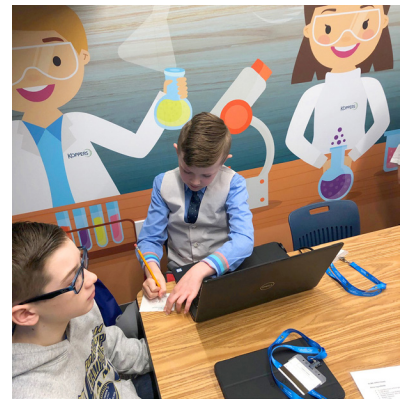


Our employees are passionate about making a positive and lasting impact in the communities where they work and live. Koppers is a key contributor to local economies and in many instances, a major employer to the areas in which we operate. Our teams are committed to being responsible neighbors and we regularly

engage with our community members to ensure we remain transparent with them about ongoing operations. In addition, we seek to understand and support the causes that are most important to both our employees and our communities, so that we may raise the standard of living and increase well-being wherever we operate.

Philanthropy and Volunteering

Koppers community impact is exemplified by the enthusiastic efforts of our employees and the success of our corporate philanthropy program. Our employees worldwide are committed to improving their communities, volunteering to assemble charitable walk teams, mentor students, enhance local STEM education initiatives, care for the elderly, assist at homeless shelters and provide hands-on help to those affected by natural disasters. The company maintains strong, long-standing relationships with organizations like the United Way, and many employees volunteer their time to serve on boards of local organizations and nonprofits. Our philanthropy program also supports worthy causes that align with our corporate values, including STEM education, and inclusion and diversity initiatives.



Griffin Employees Hit the Ground Running

A team of employees from our Griffin, Georgia facility and their families participated in their local Hero Run 5K in September. Eighteen enthusiastic runners from the Griffin team participated in the Hero Run and two employees placed in their respective age groups, while one employee finished third overall! Proceeds from the event benefited the Spalding County Jr. Deputy Program, which encourages middle school children to interact with positive role models and engage with their community. The program culminated with a five-day educational trip for 300 children, three of which were family members of Koppers employees, to Washington, D.C where they visited many notable landmarks including The White House, Vietnam War Memorial, and Martin Luther King Jr. memorial.



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Somerville Employees Lend Helping Hands to Beautify Community

Earlier this year, the Somerville, Texas community joined together for their annual “Spring into Clean” event to keep their city looking its best. Residents took on a number of different projects including repainting buildings, clearing overgrown lots, planting flowers and more. Several employees from our Somerville location donated their time to the cause by picking up litter around the city. To acknowledge their kindness and generosity, the City of Somerville awarded the employees with a special certificate of appreciation!

Koppers “Adopts a Highway” in Hubbell, Michigan

This year our Hubbell, Michigan facility was accepted into the Michigan “Adopt a Highway” program. As part of the program the facility was assigned a two-mile stretch of highway that participating employees picked up trash along during scheduled periods. Fourteen employees volunteered for the cleanup activities in total and, during two collection periods, picked up 70 bags of trash.

Opening Doors for Future STEM Workers

Koppers Global Technology Center (KGTC) teamed up with the Carnegie Science Center for the Tour Your Future career exploration program. The program gives middle and high school girls the opportunity to participate in unique learning experiences while meeting female professionals who work in STEM-related fields. The KGTC team set up a “crime scene investigation” and 30 girls used their STEM skills to determine who stole the Koppers mascot. To crack the case the girls engaged in interactive experiments involving Gas and Thin Layer Chromatography, and Microscopic, Staining, FTIR and Melting Point Identification.

**Standing Firm Against Domestic Violence**

For the third time in as many years, our Pittsburgh employees participated in the Southwest Pennsylvania Says No More Father's Day Pledge event. The event, which seeks to inspire community members to take action to end violence against women, was attended by over 60 employees and CEO Leroy Ball. The program also gathered business and community leaders who delivered speeches on how their organizations are creating supportive environments where every individual feels secure. Each leader, along with Leroy Ball, also declared a personal statement about why they support the “NO MORE” campaign to end gender violence.



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"I say no more because I care about our people and I am tired of every day having to hear about another tragedy that should have been prevented." – CEO Leroy Ball

National Giving and Local Connections

CEO Leroy Ball again issued a fundraising challenge for the third year in a row to all Koppers U.S. locations in support of the Leukemia and Lymphoma Society (LLS) Over the Edge Event held at the Koppers Building in Pittsburgh. All locations which raised funds for LLS received a match of corporate donation dollars to be used for local community involvement activities of their choice. In 2019, 18 Koppers facilities in the U.S. raised over \$38,000 in support of LLS, 12 of which raised more than \$1,500. These top 12 facilities were able to select at least one courageous employee from their location to visit Pittsburgh and rappel 22 stories down the historic Koppers Building in September. During their travels, employees also enjoyed meeting fellow colleagues from across the U.S. and a group dinner in The ATTIC (Koppers innovation space) with Leroy, as well as a sightseeing tour of Pittsburgh.



Global Economic Impact

We are proud of the worldwide benefits our business creates. By supporting our employees and their families and meaningfully contributing to tax bases, we help to strengthen the financial foundations of the communities where we operate and our employees live.



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As a company, we have a responsibility to operate as a worthy steward. In addition to our work to fulfill environmental regulations, reduce our impact on the environment and manage climate change impacts, we also develop products that protect wood and preserve its carbon capture potential. We are proud to be a voice for environmental Sustainability in our industry and in our communities, and make our values known through participation in efforts such as CEOs for Sustainability, of which our own Leroy Ball is a member of the executive council.

Circular Economy

Koppers continues to research and implement new and innovative technologies to extend our circular economy business model across our value chain. Our efforts begin with our supply chain, in particular our raw materials, the majority of which are by-products generated in other industries. These raw materials are our key production inputs. We also utilize renewable resources for another significant portion of our raw material requirements.

Otherwise an unusable by-product, coal tar is generated during the steel making process and subsequently purchased by Koppers. The coal tar is then processed into creosote (a wood preservative), carbon pitch, refined chemicals and distillates for use across multiple industry segments. Creosote has been used for more than 150 years as a wood preservative to extend the useful life of timber products, thus reducing the need to harvest more trees. Railroad crossties that are pressure treated with creosote have a service life of up to 40 years, making it an economical and reliable product for the railroad industry. This also brings an additional benefit by extending the life of wood infrastructure so that the atmospheric carbon captured in the wood through photosynthesis is retained longer.



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One of the most exciting areas of opportunity for Koppers is to drive significant innovation by pursuing “cradle-to-cradle” supply chain solutions. In 2019, the Koppers Recovery Resources team collected nearly 3.5 million railroad ties, which is equivalent to 1,077 miles of railroad track. We converted these ties to biomass and sold them as fuel, offsetting the need for fossil fuels.

**Environmental and Regulatory Compliance**

Effective environmental management is a central principle of our Zero Harm culture and something that we attentively exhibit at all of our worldwide locations. The processes, procedures and systems we have implemented help us efficiently manage our environmental performance, and we maintain several internationally recognized certifications dedicated to environmental responsibility, safety and health.

- **Responsible Care® / RC14001:** Responsible Care® focuses on the protection of people, the environment and communities by driving leadership commitment, employee and community engagement, transparency and continual improvement. Responsible Care® compliments Koppers Zero Harm initiative by providing the framework for and establishing the requirements of a comprehensive management system encompassing safety, health, environment and security to ensure safe, responsible and sustainable operations. As a member of the American Chemistry Council (ACC), Koppers has committed to the ACC Responsible Care® Guiding Principles and conforms to the RC14001:2015 Technical Specification. Conformance to RC14001 is certified via regular third-party audits conducted by Lloyd's Register, and includes certification under ISO 14001 as well. For more information about Responsible Care® visit the American Chemistry Council's [website](#).
- **REACH:** REACH is the European Union's regulations on the safe use of chemicals and is an acronym for the Registration, Evaluation, Authorization and Restriction of Chemical substances. In effect for over five years, REACH completely revised previous legislation. The goals of the program are to ensure the protection of human health and the environment, maintain the competitiveness of the European



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chemical industry and prevent the fragmentation of the internal market. Koppers is committed to following REACH, and we are working with industry groups and suppliers to ensure our customers will have continued access to our products. For more information about REACH, click [here](#).



We work with many of our contractors to ensure they are Responsible Care® qualified and certified. This process begins with the review of potential contractors in a pre-qualification evaluation. Once a contractor has been approved and is qualified under Responsible Care® they are added to our contractor database that uses built in reminders to ensure their qualifications do not expire. We also work with our contractors to help them implement responsible processes and policies for their operations. When improvement is needed to meet Responsible Care® requirements, we work with our contractors to help them enhance their operating procedures. This engagement occurs between our individual plants where there is firsthand knowledge of the changes that need to be made and our corporate or regional headquarters. These conditionally approved contractors are placed on a tailored improvement plan and periodic evaluations are carried out to confirm their operations improve.

Climate Change

We recognize the significance of the potential impacts climate change can have on society and business. It is important to Koppers to identify and take appropriate measures to reduce our climate change contributing greenhouse gas emissions and overall carbon footprint, while also building our operational resilience to potential physical and economic impacts from climate change.

Koppers has focused our business strategy around wood preservation technologies and industry sectors that rely on long term life-cycles of treated wood products. Our Carbon Materials and Chemicals (CMC) and Performance Chemicals (PC) divisions produce organic and inorganic wood preservatives that greatly extend the life-cycle of wood products, allowing our facilities and customers supporting critical industries such as rail transportation; residential, commercial and marine construction; and electrical and telecommunications distribution networks to extend the life of treated wood products for decades, thereby keeping the naturally sequestered carbon out of the carbon cycle.



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In 2018, Koppers acquired two new business units designated Utility and Industrial Products (UIP) and Koppers Recovery Resources (KRR). Our UIP division preserves wood poles and accessories in direct support of the electrical distribution and telecommunications industries. The KRR division recovers used rail ties no longer useful in railroad service. These ties are either graded for suitable non-rail use or converted to biomass fuel for approved combustion units, thereby providing a renewable fuel that offsets the need for fossil fuels.

Greenhouse Gas Emissions

Greenhouse gas emissions increased in 2019 due to the acquisitions described above as these were omitted from 2018 greenhouse gas emissions reporting. For both UIP and KRR we had access to data from only a part of 2018 and because of this decided to omit them. The tables below reflect adjusted 2018 and total 2019 GHG emissions. Koppers plans to reestablish our baseline in 2020 and continue to investigate areas of opportunity for GHG reductions.

Scope 1 (in MT CO ₂ e)	2019	2018	2017	2016
North America	366,838	330,396	232,273	232,248
Europe	26,561	26,648	21,097	21,644
Australia/New Zealand	22,617	22,177	25,572	30,120
China	12,535	13,410	11,975	14,437
Total	428,551	392,631	290,917	298,449

Scope 2 (in MT CO ₂ e)	2019	2018	2017	2016
North America	78,404	76,528	79,448	105,394
Europe	3,652	3,824	8,401	8,497
Australia/New Zealand	10,612	11,264	12,143	12,165
China	2,299	2,748	15,792	19,459
Total	94,967	94,364	115,784	145,514

Scope 1 and Scope 2 (MT CO ₂ e)	2019	2018	2017	2016
North America	445,242	406,924	311,721	337,642
Europe	30,213	30,472	29,498	30,140
Australia/New Zealand	33,229	33,441	37,715	42,285
China	14,834	16,158	27,767	33,896
Total	523,518	486,995	406,701	443,964



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Environmental Performance

At Koppers, we recognize the potential environmental impact of our operations and we are committed to the continual improvement of effective environmental management at all worldwide locations. Our Responsible Care® Management System and our goal of Zero Harm, while demanding, drives and focuses our efforts to improve our environmental performance. All environmental incidents are investigated, causes determined and appropriate corrective measures implemented with the goal of preventing recurrence.

Reportable Releases

We are proud of our efforts to limit total reportable releases to a level as low as possible, while simultaneously acknowledging we must continue working towards our goal of Zero.

	Number	2019	2018	2017	2016
	North America	5	9	2	9
	International	1	2	8	0
	Total	6	11	10	9
	Volume (kg)	2019	2018	2017	2016
	North America	7,571	942	2	4,575
	International	300	21,050	3,290	0
	Total	7,871	21,992	3,292	4,575

*Reportable releases are those uncontained releases of specific chemicals and/or quantities of chemicals that require reporting to a federal, state or local regulatory agency.

Water Permit Limit Exceedance

Our employees are driven and focused on safe and efficient operations that protect our water resources. We are committed to complying with discharge limits and implementing best management practices as well as investigating and implementing appropriate control technologies to minimize the impacts of our water discharges. In 2019, 6 of the 12 permit exceedances in North America were the result of one upset event. Upset events are abnormal occurrences such as erroneous pumping of material into the system or failure of one or more automated feed systems for nutrients, air, or chemical additives, that have an adverse impact on the wastewater treatment system and may result in the discharge of pollutants above permit limits.

	Number	2019	2018	2017	2016
	North America	12	4	14	9
	International	3	1	4	3
	Total	15	5	18	12



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Energy Consumption

Our energy consumption increased due to the acquisitions described above that were omitted from last year's report. The table below reflects adjusted 2018 and total 2019 energy consumption. Koppers plans to reestablish our baseline in 2020 and continue to investigate areas of opportunity for energy reductions such as renewable sourcing, alternative fuels and increased efficiencies.

(in gigajoules)	2019	2018	2017	2016
Direct (Primary)	4,303,099	4,041,545	3,641,860	3,795,424
Indirect (Purchased)	739,067	723,498	762,278	1,126,198
Total	5,042,166	4,765,043	4,404,138	4,921,622



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We are focused on creating long-term, sustainable value for all stakeholders. Our products support and preserve infrastructure allowing the lights to come on in our homes and goods to be delivered safely, efficiently and inexpensively to our communities. We bring these products to life by fostering innovation, maintaining a robust product stewardship process, and responsibly managing our supply chain.

As part of our value creation strategy, we continually work to enhance our product portfolio, solve disposal issues for customers through cradle-to-cradle solutions, optimize our network and logistics, strengthen our balance sheet, and maintain financial flexibility.

Overall, we are well positioned to capitalize on our strong market presence, focusing on growth opportunities in wood preservation, which will allow us to continue creating shareholder value and deliver on our Sustainability goals.



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2019 Financial Performance and Highlights

Our financial performance in 2019 reflects our continued efforts to create value for all stakeholders. The core elements of our wood preservation strategy continue to gain strength as it relates to crossties, poles and pilings, and preservatives. Financial highlights from 2019 include:

- \$1.8 billion in net sales, a company record and third consecutive year of growth;
- \$130.8 million in operating profit, our highest ever;
- \$210.8 million adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), our second-best year behind 2018;
- GAAP earnings per share (EPS) of \$3.16, our second-best year behind 2008;
- Total shareholder return in 2019 of 124 percent, making Koppers the top-performing member of the S&P SmallCap 600 Materials Index;
- Operating cash flow of \$115 million, the fourth time in the past five years that we exceeded \$100 million; and
- Net debt reduction of \$82 million, the largest net debt reduction since 2015.

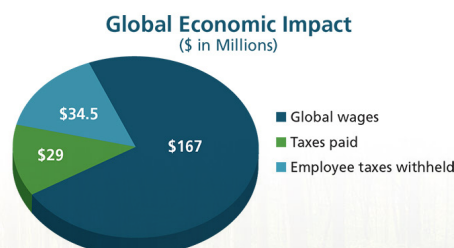


For further details of our financial performance in 2019, please see our [annual report](#).

A reconciliation to Net Income is available [here](#).

Global Economic Impact – 2019

We are proud of the circular benefits our business creates across the globe. Supporting our employees and their families and significantly contributing to tax bases strengthens the financial foundation of the communities where our operations are located and our employees live. In addition, the company donated nearly \$800,000, or approximately .38% of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), to causes important to Koppers and our employees.



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Innovation

Innovation, one of our corporate values, is essential to solving our customers' most important challenges. Two key facilities – our Koppers Global Technology Center, an applied research facility located 15 miles north of our global headquarters in Pittsburgh, Pennsylvania and our research laboratory and pilot plant in Griffin, Georgia – provide our internal experts with the resources needed to ensure product quality and drive new enhancements and offerings.



Additionally, Koppers operates a virtual innovation laboratory known as our iShare portal. Through the portal, employees can submit original ideas for innovative practices and processes. iShare empowers our employees to identify areas of improvement that align with our corporate strategy and create sustainable value. Each submitted idea is evaluated and scored by local site teams composed of a cross-functional group of representatives. Innovative ideas determined to merit implementation are allocated the necessary resources for their enactment.

We funded and implemented 66 ideas submitted through the iShare portal in 2019 and will continue to utilize the portal to stimulate innovation at Koppers in 2020. A few implemented ideas sparked through the iShare portal in 2019 include:

- Installing solar-powered, streetlight-style lighting in plant areas where visibility was poor and access to electricity was not available.
- Responding to the Life Saving Rule of "Protect yourself from a fall when working at heights" by designing and installing a custom broom for sweeping off the back of grapple trucks, eliminating the need for employees to climb on to the backs of the trucks to sweep them.
- Purchasing an infrared camera for troubleshooting maintenance activities.
- Implementing an ultrasound leak prevention and detection program.
- Trialing two different systems that install on mobile equipment (forklifts, loaders, etc.) that alert the driver to nearby pedestrians, keeping them safe.
- Installing pressure indicator lights to visually notify employees when a treatment cylinder is under pressure.
- Acting on guidance that restricts working outdoors when lightning is present by installing a lightning detection system that monitors for lightning and notifies employees both when lightning has been detected and when it's safe to return to work.



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To provide our employees with the resources they need to foster innovation and process excellence at their facilities, we held a two-day training for a diverse group of employees including assistant managers, a controller, engineers, a logistics manager, a SHE coordinator, a treating supervisor and the Vice President of Operations in Pittsburgh. The training presented an overview of the tools and resources available to support innovation and process excellence at the facility level. The participants also were able to connect with other Koppers employees who they might not have had the chance to meet without traveling to Pittsburgh.

Koppers Idea Summit



In 2019, we looked to expand innovation at Koppers through the creation and implementation of an interactive Idea Summit, which was facilitated in-house using a human-centered design methodology (HCD). The basis of HCD is putting people first by involving them in



developing solutions to problems. The first Summit brought together eight employees from across Koppers business units to think through and discuss ideas to improve around a guiding theme. The theme at the first summit centered on the question of “How might we increase our value?” The participants brainstormed ideas around this question, jotting down ideas as their discussion progressed and prioritized the ideas most likely to produce tangible results. Overall, across two and a half days of discussion, a total of 175 ideas were generated, which were then narrowed down into seven major themes for presentation to the Koppers executive team. Out of these seven themes, four ideas were quick wins that were implemented immediately, while the three other ideas were set to be implemented in 2020. One of these ideas was the Koppers Equipment Exchange, an online portal where facilities can list unneeded equipment that is still in good operational condition. Other facilities that may need this piece of equipment can then request to have it transferred to them. This exchange reduces waste, saves money, increases operational efficiency and is an overall win-win for both facilities.

Koppers Innovation Tournament

Recognizing the value of a fresh outside perspective, we partnered with Robert Morris University’s Massey Center for Entrepreneurship and Innovation to conduct an innovation tournament centered on modernizing our workplace safety trainings. Involving Robert Morris students, the tournament offered a prize to the student who presented the most innovative safety training idea to our Innovation and Process Excellence team.



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Product Stewardship



For Koppers, product stewardship is a multi-disciplinary program emphasizing three distinct but interconnected areas for our products: Compliance, Risk Mitigation and Sustainability. The program, which is directed by our Strategy and Risk team, receives diverse inputs from multiple functions, including Product Safety, Zero Harm, Legal, Research and Development, and many others. External partners from

trade associations, testing laboratories, toxicologists and legal firms also make valuable contributions to the program.

Our product stewardship efforts focus on product lines across all areas of our business. We effectively manage a product line throughout its life-cycle – from inception to end of life – to ensure its safety and market relevancy. By accomplishing this, we build confidence in our business with customers and the public.

To guide our product stewardship program, we utilize the three previously outlined areas of compliance, risk mitigation and Sustainability. Starting with compliance, it is vital to both our business and culture to ensure our products meet all regulatory requirements. We use a number of management methods to do this, including the regular updating and publishing of our [Safety Data Sheets](#) and [Product Stewardship Summaries](#), developing product labeling and safe handling instructions, and conducting extensive product safety testing. Moving to risk mitigation, we conduct risk assessments, prioritize risks and develop mitigation plans. The key to this process is clear communication between the various internal teams working on a product so that identified risks are known and properly addressed. We also engage with our customers to obtain their input on risk mitigation and implement product take-back and recycling programs when possible to reduce risks from improper disposal. Lastly, Sustainability is an increasingly important part of our product stewardship program. We implement sustainable product designs into our development process to ensure that, throughout the stages of a product's life, its impact on both people and the environment is minimized.

Product stewardship management at Koppers begins during a new product's development phase and continues throughout the entirety of the life-cycle. This starts with an initial investigation to determine a product's safety through the examination of proposed chemicals and other inputs. Stakeholders also play a part in the investigation. For industrial products, we work with customers to understand how the product will be handled during use to ensure we clearly understand the risks of the product, and to confirm that customers are equipped to manage potential hazards. For consumer-facing products, this process is focused on predicting product end-uses so that we can better adapt a product to circumstances it will commonly encounter, thus enhancing its safety. Once the investigation concludes and the product's components have been determined, development begins and is followed by testing and validation, and finally product launch.



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Once the product has been introduced to the market, the process continues, first with pilot assessments completed by customers. These assessments involve evaluating a product during its initial exposure to actual work applications, along with a review of the personal protective equipment used by people handling the product to ensure their personal safety.

Lessons learned from the introduction phase assessments are incorporated into the product's publicly available safety information in the growth phase. Also during this phase, regulatory renewals are completed, along with periodic customer assessments. Once the product has reached the maturity phase, a chemical analysis is conducted and product safety information is updated on an as needed basis. In the final phase of a product's life, we begin to plan for a product's retirement and phase out from the market.

Throughout these three stages of a product's life, we work to manage a variety of other factors that affect its safety and market relevancy. This work includes conducting incident reviews when an adverse event occurs; assessing the product to ensure it continues to meet our quality, and safety, health and environment KPIs; monitoring regulatory and legislative action that may affect the product; and lastly monitoring new science for ways in which it may affect a product's demand and societal acceptance.

Our current and comprehensive product stewardship program aligns with our spirit of continuous improvement. We strive to develop safe products that meet the demands of industry and consumers alike, and that will continue to meet demands throughout their life-cycles. By accomplishing this, we not only ensure our business performance prospers, we also realize our guiding purpose of protecting what matters and preserving the future.

Responsible Supply Chain Management

For our business it is essential that we maintain our supply networks throughout the world to source wood and other raw materials. We work closely with our suppliers to ensure we source our materials in an ethical and responsible manner, in accordance with our Code of Conduct.

Responsibly managing our supply chain starts with the purchase of our raw materials. We utilize multiple key performance indicators to evaluate our suppliers based on topics like delivery performance, reliability, quality of materials and responsiveness to issues. These KPIs are reviewed quarterly and if an issue arises, we work with suppliers to set up action plans to resolve them. One inherent challenge to our supply chain is the limited number of suppliers who are able to provide certain raw materials.

As the purchaser, we are frequently responsible for transporting our raw materials to our facilities and we work diligently to ensure our transportation operators work responsibly.



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OUR COMMITMENT TO SUSTAINABILITY



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This is done through operations reviews and trainings on subjects such as safe rail car loading. While we do not operate the trains used to transport our raw materials, we do lease and own the railcars used, and we regularly conduct maintenance on these railcars to ensure their integrity.

Koppers vendors, contractors and suppliers are vital to our Sustainability strategy and performance across our supply chain, and we are committed to implementing the Guiding Principles of Responsible Care®. As we strive to design and develop more sustainable products, we also engage with our suppliers to ensure our products are manufactured and transported safely and sustainably. We regularly send our suppliers Responsible Care® qualifications and guidance for them to review and incorporate in their operations, and work with them to bridge any gaps that may exist.

Thank You

Our successes and achievements in 2019 across the areas of People, Planet and Performance would not be possible without the vigorous participation of our stakeholders. We thank everyone who had a role in this success and we look forward to working towards its continuation in the years to come.

- To our employees, for exemplifying our Purpose and our Zero Harm culture in your efforts.
- To our investors, for understanding how we seek to create sustainable value for our stakeholders.
- To our communities, for continuing to welcome us as neighbors and partnering with us to improve the lives of all community members.
- To our vendors, suppliers and partners, for helping us to achieve our Sustainability goals through our parallel efforts.
- To our customers, for valuing the safety, quality and performance of our products and services.

Thank you to all for playing an important role in Protecting What Matters and Preserving the Future.

About this Report

Koppers is committed to continuous improvement and creating sustainable value for our stakeholders. This report covers significant accomplishments and programs in place for the 2019 fiscal year and has been prepared in accordance with the GRI Standards: Core option.



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GRI Content Index

GRI Standard	Disclosure	Location or Direct Response
GRI 102: General Disclosures		
Organizational Profile		
GRI 102: General Disclosures 2016	102-1 Name of the organization	Koppers Holding Inc.
	102-2 Activities, brands, products, and services	Business Segments; 2019 Form 10-K, p. 6-11
	102-3 Location of headquarters	436 Seventh Avenue Pittsburgh, Pennsylvania 15219-1800
	102-4 Location of operations	2019 Form 10-K, p. 23
	102-5 Ownership and legal form	Publicly traded company
	102-6 Markets served	About Koppers
	102-7 Scale of the organization	Our Employees; 2019 Financial Performance and Highlights; 2020 Form 10-K p. 6-11
	102-8 Information on employees and other workers	Our Employees
	102-9 Supply chain	Responsible Supply Chain Management
	102-10 Significant changes to the organization and supply chain	This report reflects data from our 2018 acquisitions of Koppers Recovery Resources and Koppers Utility and Industrial Products of which we did not have full data to include in our 2018 report.



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GRI Standard	Disclosure	Location or Direct Response
	102-11 Precautionary principle or approach	Although Koppers does not formally follow the precautionary principle, we assess risks across our operations
	102-12 External initiatives	Stakeholder Engagement ; Environmental and Regulatory Compliance
	102-13 Memberships of associations	Stakeholder Engagement
Strategy		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	A Message From Our Chief Executive Officer
	102-15 Key impacts, risks, and opportunities	Sustainability Strategy
Ethics and Integrity		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Governance and Ethics
	102-17 Mechanisms for advice and concerns about ethics	Governance and Ethics
Governance Structure		
GRI 102: General Disclosures 2016	102-18 Governance structure	Governance and Ethics
	102-19 Delegating Authority	Governance and Ethics
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance and Ethics
	102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
	102-22 Composition of the highest governance body and its committees	Governance and Ethics
	102-23 Chair of the highest governance body	Governance and Ethics
	102-24 Nominating and selecting the highest governance body	Governance and Ethics



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GRI Standard	Disclosure	Location or Direct Response
Stakeholder Engagement		
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder Engagement
	102-41 Collective bargaining agreements	Stakeholder Engagement
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement
	102-43 Approach to stakeholder engagement	Stakeholder Engagement
	102-44 Key topics and concerns raised	Stakeholder Engagement
Reporting Practices		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	2019 Form 10-K, pg. 52
	102-46 Defining report content and topic Boundaries	Sustainability Strategy
	102-47 List of material topics	Sustainability Strategy
	102-48 Restatements of information	Data for greenhouse gas emissions and energy consumption for both 2019 and 2018 reflect acquisitions made in 2018 that were omitted from 2018 reporting.
	102-49 Changes in reporting	None
	102-50 Reporting period	January 1, 2019 through December 31, 2019
	102-51 Date of most recent report	2018
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Leslie Hyde, Chief Sustainability Officer; Contact: sustainability@koppers.com
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI content index	This document represents the company's content index.
	102-56 Policy/practice for external assurance	The company is not seeking assurance for this year's Sustainability report.



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GRI Standard	Disclosure	Location or Direct Response
GRI 200: Economic Disclosures		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2019 Financial Performance and Highlights
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2019 Financial Performance and Highlights
	201-3 Defined benefit plan obligations and other retirement plans	2019 Form 10-K, p. 22
GRI 300: Environmental Disclosures		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environmental Performance
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 302: Energy 2016	302-1 Energy Consumption within the organization	Environmental Performance
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Climate Change
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environmental Performance
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 305: Effluents and Waste 2016	306-3 Significant spills	Environmental Performance



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GRI Standard	Disclosure	Location or Direct Response
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environmental and Regulatory Compliance
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 307: Environmental Compliance 2016	Omitted Supplier Environmental Assessment	Omitted; data is currently unavailable; anticipated in future reporting cycles.
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Responsible Supply Chain Management
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 308: Supplier Environmental Assessment 2016	Omitted	Omitted; data is currently unavailable; anticipated in future reporting cycles.
GRI 400: Social Disclosures		
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Zero Harm
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GR 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Zero Harm
	403-2 Hazard identification, risk assessment, and incident investigation	Zero Harm
	403-3 Occupational health services	Zero Harm
	403-4 Worker participation, consultation, and communication on occupational health and safety	Zero Harm Culture
	403-5 Worker training on occupational health and safety	Zero Harm
	403-6 Promotion of worker health	Health and Wellness



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GRI Standard	Disclosure	Location or Direct Response
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Zero Harm
	403-9 Work-related injuries	Safety Performance . Note that for some contractor safety metrics data was not available. These metrics have been omitted.
	403-10 Work-related ill health	Safety Performance . Note that for some contractor safety metrics data was not available. These metrics have been omitted.
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Training and Education
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Education
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Inclusion and Diversity
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Inclusion and Diversity
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Community Engagement
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 413: Local Communities 2016	Omitted	Omitted; data is currently unavailable; anticipated in future reporting cycles.
Social Supplier Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Responsible Supply Chain Management



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GRI Standard	Disclosure	Location or Direct Response
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 414: Social Supplier Assessment 2016	Omitted	Omitted; data is currently unavailable; anticipated in future reporting cycles.
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Public Health and Safety
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Public Health and Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Public Health and Safety



Unaudited Reconciliations of Non-GAAP Financial Measures

This report contains certain non-GAAP financial measures. Koppers believes that adjusted EBITDA, adjusted earnings per share and net leverage ratio provide information useful to investors in understanding the underlying operational performance of the company, its business and performance trends, and facilitates comparisons between periods and with other corporations in similar industries. The exclusion of certain items permits evaluation and a comparison of results for ongoing business operations, and it is on this basis that Koppers management internally assesses the company's performance. In addition, the Board of Directors and executive management team uses adjusted EBITDA as a performance measure under the company's annual incentive plans.

Although Koppers believes that these non-GAAP financial measures enhance investors' understanding of its business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP basis financial measures and should be read in conjunction with the relevant GAAP financial measure. Other companies in a similar industry may define or calculate these measures differently than the company, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP financial measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP.

See the attached tables for the following reconciliations of non-GAAP financial measures referenced in this report: Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA, Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA and Unaudited Reconciliation of Total Debt to Net Debt and Net Leverage Ratio.

UNAUDITED RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA

	Year Ended December 31,	
	2019	2018
<i>(In millions)</i>		
Net income	\$ 67.4	\$ 29.2
Interest expense	62.5	56.3
Depreciation and amortization	55.1	54.8
Depreciation in impairment and restructuring charges	3.4	0.0
Income taxes	1.4	26.0
Income (loss) from discontinued operations	0.1	(0.4)
EBITDA with noncontrolling interests	189.9	165.9
Unusual items impacting net income		
Impairment, restructuring and plant closure costs	20.5	23.5
Non-cash LIFO expense	4.5	12.6
Mark-to-market commodity hedging	(4.1)	6.9
UIP inventory purchase accounting adjustment	0.0	6.0
Acquisition closing costs	0.0	3.1
Contract buyout	0.0	1.6
Sale of land	0.0	1.1
Sale of specialty chemical business	0.0	0.9
Total adjustments	20.9	55.7
Adjusted EBITDA	\$210.8	\$221.6
Adjusted EBITDA margin	11.9%	13.0%

UNAUDITED RECONCILIATION OF OPERATING PROFIT TO EBITDA AND ADJUSTED EBITDA

Year Ended December 31, 2019

	RUPS	PC	CMC	Corporate Unallocated	Consolidated
<i>(In millions)</i>					
Net Sales	\$733.5	\$448.3	\$591.0	\$ 0.0	\$1,772.8
Operating profit (loss)	\$ 35.8	\$ 52.1	\$ 45.0	\$(2.1)	\$ 130.8
Other income (loss)	(1.1)	2.2	(1.4)	0.9	0.6
Depreciation and amortization	19.4	18.3	17.4	0.0	55.1
Depreciation in impairment and restructuring charges	0.0	0.0	3.4	0.0	3.4
EBITDA with noncontrolling interest	\$ 54.1	\$ 72.6	\$ 64.4	\$(1.2)	\$ 189.9
Unusual items impacting net income:					
CMC restructuring	0.0	0.0	19.8	0.0	19.8
Non-cash LIFO expense	5.6	0.0	(1.0)	0.0	4.6
RUPS treating plant closures	0.5	0.0	0.0	0.0	0.5
Mark-to-market commodity hedging	0.0	(4.0)	0.0	0.0	(4.0)
Adjusted EBITDA	\$ 60.2	\$ 68.6	\$ 83.2	\$(1.2)	\$ 210.8
Adjusted EBITDA Margin %	8.2%	15.3%	14.1%		

UNAUDITED RECONCILIATION OF TOTAL DEBT TO NET DEBT AND NET LEVERAGE RATIO

Year Ended December 31,

	2019	2018 Proforma ⁽¹⁾	2018
<i>(In millions, except ratio)</i>			
Total Debt	\$901.2	\$990.4	\$990.4
Less: Cash	33.0	40.6	40.6
Net Debt	\$868.2	\$949.8	\$949.8
Adjusted EBITDA	\$210.8	\$225.7	\$221.6
Net Leverage Ratio	4.1	4.2	4.3

(1) Relates to 2018 acquisitions.