



Environmental, Health and Safety
and Community Stewardship Report

2007 Report
with 2006 Summary Data



Guiding Principles

Koch Industries, Inc. has adopted principles to guide employees as they work to create real, long-term value within Koch companies and their communities. These principles are rooted in the company's Market-Based Management® philosophy.

1. Integrity

Conduct all affairs lawfully and with integrity.

2. Compliance

Strive for 10,000 percent compliance, with 100 percent of employees fully complying 100 percent of the time. Ensure excellence in environmental, safety, and all other areas of compliance. Stop, think and ask.

3. Value Creation

Create real, long-term value by the economic means. Understand, develop, and apply MBM® to achieve superior results. Eliminate waste.

4. Principled Entrepreneurship™

Demonstrate the sense of urgency, discipline, accountability, judgment, initiative, economic and critical thinking skills, and the risk-taking mentality necessary to generate the greatest contribution to the company and society.

5. Customer Focus

Understand and develop relationships with customers to profitably anticipate and satisfy their needs.

6. Knowledge

Seek and use the best knowledge and proactively share your knowledge while embracing a challenge process. Measure profitability wherever practical.

7. Change

Embrace change. Envision what could be, challenge the status quo, and drive creative destruction.

8. Humility

Practice humility and intellectual honesty. Constantly seek to understand and constructively deal with reality to create real value and achieve personal improvement.

9. Respect

Treat others with dignity, respect, honesty, and sensitivity. Appreciate the value of diversity. Encourage and practice teamwork.

10. Fulfillment

Produce results that create value to realize your full potential and find fulfillment in your work.

Message from Charles Koch

At Koch Industries, Inc., we believe that for a business to survive and prosper, it must develop and use its capabilities to create real, sustainable, superior value for its customers and society. This belief helped shape our Sustainability Vision, which reflects our MBM® Guiding Principles.

Koch companies create value by using resources more efficiently; protecting the environment and the safety and health of our workers and others; consistently applying good science; and, employing Market-Based Management®. Value creation involves making people's lives better and it contributes to prosperity in society.

Each Koch company maintains a continual focus on improving operations and we require employees to be unwavering in their commitment to our Guiding Principles. We place integrity first and strive for 10,000 percent compliance, with 100 percent of employees fully complying 100 percent of the time. When we fall short, we seek to identify why our efforts failed, determine how we can improve, learn from our experience and take steps to avoid falling short in the future.

This report describes Koch companies' efforts in 2006 to achieve 10,000 percent compliance and go beyond compliance to create real, long-term value. From habitat preservation to river cleanups, emission reduction to recycling, Koch companies focus on projects that educate, protect the environment and improve the quality of life for us all.



Charles G. Koch
Chairman and Chief Executive Officer
Koch Industries, Inc.
August 2007



Charles G. Koch

John Amalucci / Getty Images

A vertical photograph of a vast, green landscape under a clear sky. In the foreground, there is a field of tall grass. In the middle ground, there are rolling hills and a body of water. In the background, there are mountains. The lighting suggests a sunset or sunrise.

Matador Cattle Company operates three historic ranches in Kansas, Montana and Texas. By applying MBM principles, Beaverhead Ranch in Montana has won seven major environmental awards and became the first ranch in the country to achieve Wildlife Habitat Council certification for enhancing wildlife animal populations.



Company Profile

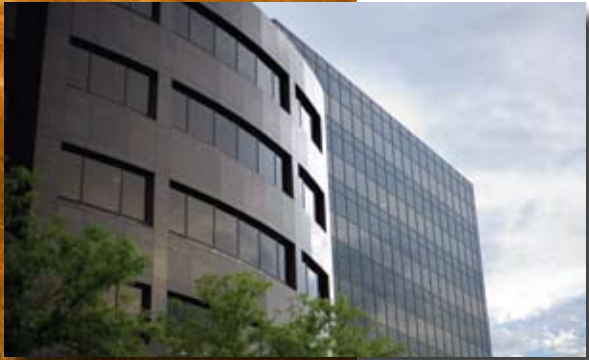
Koch Industries, Inc. is a global, privately held company based in Wichita, Kan. Koch companies have about 80,000 employees and a presence in more than 500 communities and nearly 60 countries. These companies are involved in refining and chemicals; process equipment and technologies; minerals; fibers and polymers; commodity and financial trading and services; and forest and consumer products. A Koch company also operates ranches in three U.S. states that encompass nearly 420,000 acres.

Since 2003, Koch Industries, Inc. has experienced sweeping changes, completing more than \$32 billion in acquisitions and investments. Koch companies include:

Flint Hills Resources, LP
Georgia-Pacific LLC
INVISTA B.V.
Koch Capital Investments Company, LLC
Koch Chemical Technology Group, LLC
Koch Financial Corporation
Koch Genesis Company, LLC
Koch Mineral Services, LLC and its subsidiaries
Koch Carbon, LLC; Koch Exploration Company, LLC;
and Koch Nitrogen Company
Koch Pipeline Company, L.P.
Koch Supply and Trading, LP
Matador Cattle Company, a division of
Koch Agriculture Company
Reiss Remediation, LLC



INVISTA's Camden, S.C., site includes 640 acres maintained for forested and wildlife habitat areas that are home to American Bald Eagles, Eastern Bluebirds, Purple Martins and more. The site has received the Corporate Wildlife Habitat Certification/International Accreditation Program Certificate by the Wildlife Habitat Council since 1992 and was recertified in November 2005.



*Koch Industries, Inc.
Global Headquarters
Wichita, Kan.*

Sustainability Vision

We create long-term value for society by using resources more efficiently; protecting the environment and the safety and health of our workers and others; consistently applying good science; and employing Market-Based Management®. Together, these contribute to our overall quality of life.

Sustainability Commitments

- Maintain a safe and healthy workplace where innovation and continuous improvement are fully integrated.
- Continuously seek cost-effective ways to further reduce emissions of air pollutants.
- Continually improve energy efficiency and develop innovative technologies, which will result in reduced greenhouse gas emissions.
- Seek new opportunities to further reduce water use and pollutant discharge at our facilities.
- Manage land to meet its appropriate uses.
- Develop and implement product stewardship tools to minimize waste and improve the environmental, health, and safety aspects of our products and processes.
- Communicate with employees, contractors, customers, regulators and the public regarding environmental, health, and safety performance.
- Create market-based business opportunities in communities, and support local stewardship projects and initiatives.
- Seek suppliers, vendors and partners who are committed to excellence in operations and EHS performance.

Environmental, Health & Safety Policy

Koch companies worldwide will manage operations in a manner that protects the environment and the health and safety of employees, customers, contractors and the public while fully complying with applicable laws and regulations. Koch companies will continuously improve EH&S performance with a goal of zero incidents.

EH&S Guiding Principles

- EH&S excellence is mandatory for our long-term success.
- EH&S excellence requires the commitment and personal involvement of all levels of management and all employees.
- Protection of human health and safety and the environment must come first, no matter how urgent the job, project or commercial interest.
- Employees have the obligation and the ability to prevent incidents.
- Incidents, unauthorized releases and non-compliance are unacceptable.
- All employees and contractors are responsible and accountable for understanding and complying with all regulations, requirements and procedures relating to their job performance.



Koch Companies Are Committed To:

- Continuing to improve EH&S compliance and performance through the ongoing implementation of EH&S management systems.
- Continuing to integrate EH&S concerns into all business and operational planning and decision-making.
- Providing a safe work environment and training for all employees.
- Requiring the same level of commitment and performance for contractors that work in our facilities as we do from our employees.
- Utilizing materials, natural resources and energy efficiently to produce our products and services.
- Responding in a timely and appropriate manner if an incident resulting from operations does occur.
- Working proactively with legislators, regulators, concerned groups and industry peers to develop and advance effective approaches to human health and safety and environmental protection.
- Communicating regularly on EH&S issues and performance with employees, contractors, customers, regulators and the public.
- Auditing assets and operating practices regularly, and taking the appropriate corrective actions.

Code of Conduct and the Koch GuideLine

All employees of Koch companies are charged with the fundamental responsibility to do the right thing in the right way. Employees are never authorized to act unethically or illegally, even when they believe doing so may seem to be in the best interest of the company or if a supervisor has directed him or her to do so. Our Code of Conduct is a tool employees use to help make decisions about compliance and ethics in their daily work.

Our Code also sets the expectations that employees will report possible violations or concerns. The Koch GuideLine is available to employees round-the-clock. It is answered by confidential, trained, third-party communication specialists. Questions and concerns may be raised anonymously. Koch companies are committed to identifying and correcting wrongdoing wherever it may occur. All reported concerns are promptly investigated. All employees are expected to cooperate fully with investigative efforts. To the extent possible, confidentiality will be maintained consistent with legal and ethical responsibilities. All employees are prohibited from retaliating against anyone who, in good faith, reports or supplies information about a possible violation or concern.

The Koch GuideLine can be accessed globally at 800-325-0544 or www.ethicspoint.com.

Auditing To Ensure Compliance

Koch companies are committed to assuring compliance with our Guiding Principles, Code of Conduct, the law and company policies. Periodic audits take place to determine if employees, agents and contractors are exhibiting ethical and legal behavior.

Koch companies, as part of their overall compliance program, have EH&S audit programs in place that seek to ensure they are in compliance today, and measure how well they are preparing for the future. These regular third-party audits evaluate facilities' EH&S compliance efforts. Koch companies regularly conduct self-assessments to drive continuous improvement and promote sharing of best practices. Many EH&S audits also include a review of a company or site management system.

Koch companies also regularly audit and assess how employees and businesses manage compliance in a number of regulatory and compliance areas including:

- Employment
- International commerce
- Antitrust
- Intellectual property
- Records and information management
- Government interactions



Since 1997, Flint Hills Resources has reduced refinery emissions of commonly regulated substances such as carbon monoxide, nitrogen oxide and sulfur dioxide by 53.4 percent on a per-barrel of refining capacity basis. In 2006, criteria air emissions were .07 pounds per-barrel of refining capacity, which is 65 percent lower than the industry average of the 50 largest refineries in the country.

*Flint Hills Refinery
Rosemount, Minn.*

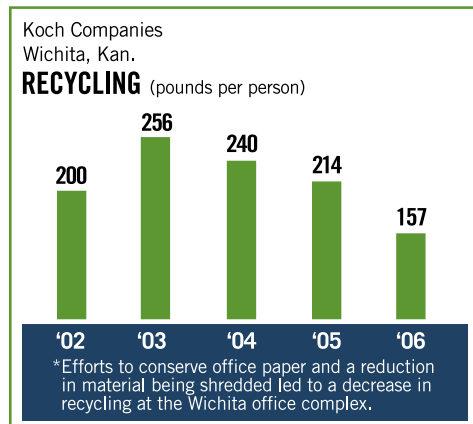


Ducks in the wetlands
INVISTA site
Victoria, Texas

Creating Value Conserving Resources

Koch companies create long-term value for customers and society and help ensure business success by using materials, natural resources and energy wisely and efficiently. Here are some of the ways they work to conserve resources and enhance the environment:

Reduce, reuse, recycle – it’s a familiar phrase to employees of **Koch companies**. At the Wichita, Kan., headquarters, electricity usage has decreased 22 percent since 1998, translating to a considerable reduction in emissions. In 2006, the Wichita facility recycled about 128 tons – nearly 50 percent - of material produced in the office environment, including newspapers, magazines and paper. **Georgia-Pacific** uses recycled paper to make tissue and towel products at its Muskogee, Okla.; Green Bay, Wis.; and Rincon, Ga., facilities among others.



Harmon Associates, a division of **Georgia-Pacific**, is one of the largest paper recyclers in the world. The company purchases fibers globally including corrugated, newsprint and office paper, as well as metals and plastics, supplying in excess of 100,000 tons per week. GP mills turn the recycled fiber into everyday products including toilet paper, paper towels, napkins, communication papers and corrugated boxes.

INVISTA's United Kingdom site in Gloucester was named the best large company by the British Standards Institute. The site was recognized for its commitment to environmental excellence and reducing environmental impact/emissions over a long period of time.

The Victoria, Texas school district received the Texas Commission on Environmental Quality's highest honor, the Environmental Excellence award, for its nine-year environmental education partnership and collaboration with **INVISTA's** Victoria site. The award was given for the program's curriculum in environmental studies and hands-on learning taking place at the Wetland Environmental Science Education Encounter, a 50-acre wetland at the Victoria site. The WE SEE center houses field experiments and includes a partially enclosed building where students can view the wetland and its inhabitants. The wetland not only helps return up to 3.2 million gallons of fresh water per day to the Guadalupe River, it has acted as an outdoor classroom for almost 28,000 Texans since being constructed by INVISTA.

In 2006, **INVISTA's** Antron® carpet fiber was re-certified as an Environmentally Preferable Product (EPP) by Scientific Certification Systems (SCS). Originally awarded certification in 2002, Antron® carpet fiber was the first carpet face fiber to earn EPP certification by an independent third party. SCS uses a combination of techniques including Life-Cycle Impact Assessment, Risk Assessment and Environmental Resource-based studies, as well as knowledge about available technologies and practices to develop their environmentally preferable specifications. The specifications are designed to address all key stages of the product life-cycle and incorporate environmental and human health issues.

Through its Antron Reclamation Program™, INVISTA reclaims any type of carpet regardless of fiber type, carpet construction or manufacturer. Used carpet can be cleaned and put back to use, or manufactured into useful products such as filtration devices, automotive parts, packaging materials and furniture. More information can be found at <http://antron.net/reclamation>.





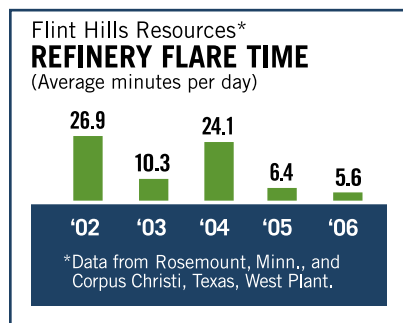
John Zink Company's Tulsa, Okla., facility is a member of EPA's National Environmental Performance Track program, along with five Georgia-Pacific facilities. NEPT is the environmental equivalent of OSHA's Voluntary Protection Programs for safety.

Georgia-Pacific's tissue converting plant at Toluca, Mexico, was inducted into Mexico's Industria Limpia (Clean Industries) environmental excellence program. This government program recognizes companies that protect the environment, preserve natural resources and promote sustainable manufacturing practices.

Georgia-Pacific's Conway, N.C., resin and formaldehyde facility was accepted into the U.S. Environmental Protection Agency's National Environmental Performance Track program. Performance Track facilities are required to consistently exceed state and federal environmental regulatory requirements, work closely with their communities, and excel in protecting the environment and public health through continuous improvement projects. Other GP facilities in the NEPT program are Albany, Ore.; Columbus, Ohio; Russellville, S.C.; and Vienna, Ga.

Koch Nitrogen Company in Dodge City, Kan., was recognized by Kansas Department of Health and Environment Secretary Roderick Bremby for progress made in a Resource Conservation and Recovery Act project underway at the site. Bremby said, "We were all very impressed with the work you do to keep the environment safe for Kansans."

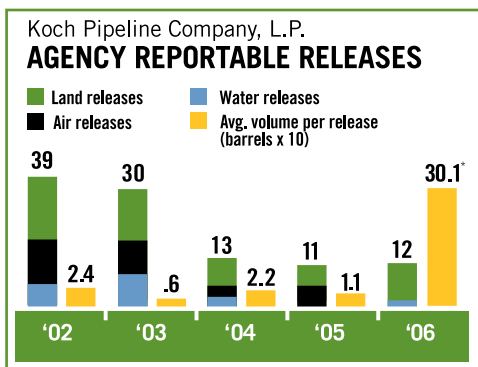
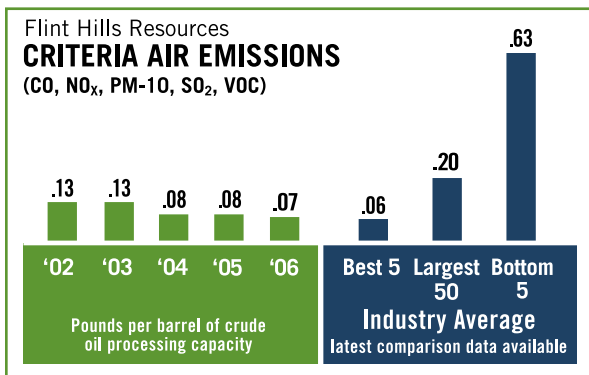
For the third consecutive year, **Flint Hills Resources'** Pine Bend Refinery received the Wastewater Treatment Operator Award from the Minnesota Pollution Control Agency. The award is given annually to a small group of industrial wastewater plant operators in Minnesota for excellence in producing discharge waters that meet strict permit requirements. Pine Bend has a sustained record of excellent wastewater plant operations, having gone more than seven years without exceeding effluent permit limits.



Flint Hills Resources has emphasized flaring reduction at its crude oil refineries in Alaska, Minnesota and Texas, and continues to work with the U.S. Environmental Protection Agency to develop and share best practices aimed at reducing emissions during periods of startup, shutdown and malfunction.

Rapid growth and development coupled with prolonged drought conditions prompted state and local government officials in Queensland, Australia, to launch the Western Corridor Recycled Water project, the largest recycled water project ever undertaken in the southern hemisphere. Playing a key role in the first phase is **Koch Membrane Systems**, a **Koch Chemical Technology Group** company. KMS will supply its advanced reverse osmosis systems to the Bundamba wastewater treatment plant. The desalination equipment from KMS includes MegaMagnum® spiral wound elements, the world's largest commercially available reverse osmosis elements.

Combustion systems made by **John Zink Company**, a subsidiary of **Koch Chemical Technology Group, LLC**, reduce the environmental impact of refineries and other energy-related industries. The systems are used at **Flint Hills Resources** refineries in Minnesota, Texas and Alaska. FHR's refineries produce 65 percent fewer criteria air emissions per barrel than the industry average among peer refiners.



*On June 27, 2006, Minnesota Pipe Line Company experienced a crude oil leak totaling 3,200 barrels near Little Falls, Minn. From 1988 to 2003, the Minnesota Pipe Line Company system had no pipeline leaks along the right of way. In 2003, there was one leak of 2.4 barrels and in 2006, the Little Falls leak occurred. Koch Pipeline Company operates the Minnesota Pipe Line Company system.

Koch Nitrogen Company and its affiliates are collectively one of the world's largest producers and marketers of nitrogen fertilizers.



A Commitment To Health And Safety



Flint Hills Resources employees at the Corpus Christi, Texas, refining complex completed six years without a lost-time injury. The accomplishment was even more outstanding because in 2006, the complex faced the most extensive maintenance project ever undertaken at the facility.

Koch companies believe that non-compliance is unacceptable. We are committed to providing a safe work environment and training for all employees, underscoring the importance of protecting human health and safety. Koch companies give employees authority and responsibility to prevent incidents. If an incident or near miss occurs, employees are expected to respond in a timely and appropriate manner. At most locations, employee committees set goals and policies for improving safety in the workplace.

Koch companies measure their safety performance in a variety of ways, including in accordance with OSHA-specified categories. In order to allow industry comparisons, we have chosen to report based on those OSHA categories. In this report, the term "recordable injury" includes injuries requiring minor medical treatment beyond first aid, as well as more serious injuries resulting in lost time.

Koch Pipeline Company employees achieved a safety record by working more than 1 million hours without an OSHA recordable incident. Employees also worked injury free for a perfect safety record in 2005.

Employees at **John Zink Company, LLC**, have worked more than 4 million hours and 850 consecutive days without an injury resulting in time away from work. John Zink employs more than 700 people at its Tulsa, Okla., facility who work about 1.7 million hours annually.

During 2006, employees at five **Georgia-Pacific** facilities – New Augusta, Miss. (cellulose); Madison, Ga.; Port Hudson, La.; Louisville, Miss. (plywood); and Crossett, Ark. (pulp and paper) – earned the company's Safety Excellence Award. The award recognizes facilities that achieve 1 million work hours without a lost workday injury while maintaining an OSHA total case incidence rate of 0.5 or less for the award period.

The Industrial Accident Prevention Association recognized **Koch-Glitsch Canada LP**'s Uxbridge, Ontario, facility with a Level II Health & Safety Achievement Award. Koch-Glitsch has consistently posted a lost-time injury frequency significantly lower than the average associated with its rate group by the Workplace Safety and Insurance Board. The company has experienced no lost-time injuries since 2002. Koch-Glitsch's Uxbridge facility is one of only nine companies to receive IAPA's Level II Achievement Award.

Koch Nitrogen Company in Beatrice, Neb., and **Koch Fertilizer Canada, Ltd.** in Brandon, Manitoba, completed 2006 with no recordable injuries and zero lost-time injuries. Koch Nitrogen in Dodge City, Kan., reached a two-year milestone and Koch Nitrogen's Enid, Okla., plant recorded three years with no lost-time injuries.

Employees of affiliates of **Koch Exploration Company, LLC** in Brazil and Canada completed 2006 with no lost-time injuries or recordable injuries.

INVISTA employees worldwide achieved significant safety milestones. In Chattanooga, Tenn., and Victoria, Texas, employees completed the year with zero injuries and have worked more than two years without a recordable injury. Victoria, Texas, employees have worked more than 2 million hours without a lost-time injury and in Querétaro, Mexico, employees have worked nearly 7 million hours without a lost-time injury and 1.6 million hours since their last recordable injury. INVISTA's Rozenburg, Netherlands, site marked 15 years without a lost workday case, and in 2006, the Offenbach, Germany, site completed two years without a recordable injury.

INVISTA's Paulinia, Brazil, site has extended its remarkable safety record by operating more than 32 years without a lost-time injury.



Koch Pipeline Company has operations and employees in eight states, overseeing about 4,000 miles of pipelines. In 2006, the company earned eight health and safety awards for their performance.



INVISTA works to continuously improve EH&S performance with a goal of zero incidents. In Querétaro, Mexico, employees achieved a milestone, working nearly 7 million hours without a lost-time injury.

VPP Recognition

The Occupational Safety and Health Administration's Voluntary Protection Programs recognizes facilities with industry-leading safety performance as verified by an extensive audit. Eighty-two Koch company sites have earned VPP status, with these sites added in 2006:



The C. Reiss Coal Company, a subsidiary of Koch Mineral Services, LLC, was awarded Voluntary Protection Programs Merit status for outstanding health and safety performance. The dry bulk coal dock site is in Green Bay, Wis.

The C. Reiss Coal Company

Green Bay, Wis.
Merit

Georgia-Pacific

Asheboro, N.C., packaging plant
North Carolina Star

Modesto, Calif., packaging plant
Star

Monticello, Iowa, packaging plant
Star

Olympia, Wash., packaging plant
Washington Industrial Safety & Health Act Star

Koch-Glitsch, LP

Dallas, Texas
Star

Koch companies have long been committed to providing a safe work environment for employees and contractors. We strive for a workplace that is incident- and injury-free. In 2006, we fell short of that goal with four fatalities on Koch company property. An employee of a contractor died at an INVISTA site in Kuan Yin, Taiwan. A Georgia-Pacific employee died at a containerboard mill in Cedar Springs, Ga., and an employee of a contractor was fatally injured at Georgia-Pacific's Mount Olive, Ill., packaging plant. An employee of a contractor also died at Flint Hills Resources' refinery in Corpus Christi, Texas. We extend our sympathy to these families and recognize that these tragic incidents underscore the importance of Koch companies' ongoing efforts and commitment to safety.



*Flint Hills Resources celebrated
25 years as a Texas Coastal
Bend corporate citizen in 2006.*

In Touch With Our Communities

Koch companies are dedicated to supporting efforts to improve our communities and help attract and retain quality employees. Koch companies focus their philanthropic efforts in the areas of education, environment, quality of life, human services and at-risk youth. Here are just a few examples of this community stewardship:



Since 1985, Koch Industries has provided monetary support and employees have served on the board of directors for Rainbows United.

Rainbows United, Inc., a non-profit organization in Wichita, Kan., that provides early child care and education for children with varied abilities, received the largest gift in the agency's 35-year history with 10 acres of land donated by **Koch Industries** along with \$50,000 from the Fred C. & Mary R. Koch Foundation. The combined gift, valued at nearly \$500,000, will help build an innovative new learning center with specialized therapy spaces and outdoor areas for nature-based play.

The Wildlife Habitat Council recognized **Flint Hills Resources'** chemical intermediates plant near Joliet, Ill., on achieving Corporate Lands for Learning recertification for continuation of the company's education programs and annual Natural Resources Day for children. WHC also honored Flint Hills' Corpus Christi complex with Habitat Program recertification for its success in benefiting wildlife and providing environmental education to youth.

Donations from **Koch Nitrogen Company** in Fort Dodge, Iowa, and Dodge City, Kan., provided local emergency responders with new safety equipment. In Fort Dodge, a Koch Nitrogen challenge grant raised money to purchase equipment and protective gear. In Dodge City, Koch Nitrogen made an in-kind donation of new helmets, pulleys, a fan and other rescue equipment to the Ford County Fire & EMS.



In 2006, the GP Foundation launched the **Georgia-Pacific** Bucket Brigade to promote fire safety and educate the public. More than \$100,000 in Bucket Brigade grants has been

awarded to fire departments in 12 GP communities. The grants provide necessities for firefighters and fire safety educational materials for schools and homes. Hundreds of GP employees are volunteer firefighters in their communities.

Ipek Kagit, **Georgia-Pacific's** joint venture with Eczacibasi Group in Turkey, was presented with a 2006 World Business Award for its efforts to improve community health and hygiene. The award is part of the United Nations Development Program's global initiative to improve the quality of life and eradicate diseases in developing countries by 2015. The Turkish group was recognized for the Solo Primary School Personal Hygiene Education Project, which is sponsored by Solo® bathroom tissue, one of GP's leading Turkish brands. Since its founding in 2002, the project has taught more than 3 million children about better health.

Georgia-Pacific partnered with the Atlanta Public Schools to establish Youth Entrepreneurs™ of Atlanta (YE-Atl) at two local high schools. Based on the successful Youth Entrepreneurs of Kansas program, YE-Atl provides students with business and entrepreneurial education and hands-on experience to help them succeed in the marketplace and in life.

Georgia-Pacific sponsored the National Black Arts Festival, a non-profit cultural institution based in Atlanta that celebrates the contributions of people of African descent and their impact on world cultures. GP has supported NBAF for more than 10 years.



Members of the Washougal, Wash., fire department receive a \$10,000 check from Georgia-Pacific's Bucket Brigade.



The WE SEE education center at INVISTA's manufacturing site in Victoria, Texas, makes hands-on environmental studies possible for thousands of students through a collaborative partnership with the Victoria Independent School District. In addition, the center has hosted more than 3,000 business, government and science professionals from around the world. The site was recognized by the Wildlife Habitat Council on achieving Corporate Lands for Learning recertification.

Community Stewardship



Koch employees, families and friends in Wichita, Kan., gathered with local media celebrities and their Little Brothers and Sisters for a Saturday of bowling fun and fundraising. The two-hour event raised a record-breaking \$52,000.

Big Brothers Big Sisters of Kansas received the largest donation ever in the history of the organization's statewide Bowl for Kids' Sake events when **Koch Industries** donated \$150,000 to sponsor the annual fundraiser. In addition, more than 100 Koch employees and their families raised a record-breaking \$52,000 to help match deserving children with adult mentors.

The Association of Fundraising Professionals celebrated Philanthropy Day in 2006 by honoring **Flint Hills Resources** in North Pole, Alaska, with its Outstanding Business in Philanthropy award. FHR received the award for its support of youth soccer teams, the Helping Us Give School Supplies program, the Interior Community Health Center and other worthy causes.

For seven years, **Flint Hills Resources'** Pine Bend Refinery has sponsored the Flint Hills International Children's Festival. Held each spring in downtown St. Paul, Minn., the week-long event features area and international performing artists who educate and entertain children and their families.



Flint Hills International Children's Festival attracts more than 30,000 people annually.



Pine Bend Bluffs Natural Area on Flint Hills Resources property Rosemount, Minn.

Thirty-five community volunteers joined with 30 **Flint Hills Resources** employees and family members to continue restoration work on FHR property that is part of the Pine Bend Bluffs Natural Area in Minnesota's Dakota County. The group planted 5,000 acorns to re-establish oak trees in the savanna, collected prairie seed and planted sand-gravel prairie seedlings. The 1,300-acre Pine Bend Bluffs Natural Area is a crucial part of the Mississippi River flyway, the annual migration corridor for millions of songbirds and 40 percent of North America's waterfowl and shorebirds. Since 2000, Flint Hills Resources, Friends of the Mississippi River and Great River Greening have worked to restore and reconstruct a 78-acre parcel of prairie, savanna and woodland owned by the company within Pine Bend Bluffs.

Georgia-Pacific's Camas, Wash., consumer products mill adopted the Skamania Hatchery. This local fish hatchery breeds steelhead and cutthroat trout, which are popular with fly-fishing enthusiasts and draw tourists to the area. The mill financed the purchase of fish food and provides volunteers to help repair and maintain the hatchery.



A Skamania Hatchery employee in Camas, Wash., fills the automatic fish feeders. Georgia-Pacific employees donated 1,000 pounds of fish food to the hatchery.

Community Stewardship



Richard Marks / Alice Ferguson Foundation

From Oregon to our nation's capital, Koch companies have founded and participate in river cleanups throughout the country.

In 2006, Koch companies partnered with area organizations for river cleanups coast-to-coast. **Koch Industries'** third annual Capital River Relief returned to the Potomac and Anacostia rivers in Washington, D.C. The event brought together a coalition of environmental groups, businesses, government, and community organizations along with hundreds of energetic volunteers. Since inception, Capital River Relief has removed more than 400 tons of trash from the Potomac and Anacostia rivers. In conjunction with the Alice Ferguson Foundation's annual Potomac Watershed Cleanup, volunteers from the **INVISTA** Wildlife Club at the Waynesboro, Va., plant spent a Saturday morning cleaning a stretch of the South River. Wildlife Club volunteers have participated in the biannual river cleanup for 13 consecutive years. **Georgia-Pacific** volunteers, together with businesses and individuals in Toledo, Ore., have adopted a six-mile stretch of the Yaquina River and coordinate two cleanups a year.



Employees of INVISTA Canada presented a check for \$20,000 to the Kid 4 Kids Marathon, a fundraiser for the Penguins swim team in Kingston, Ontario. The money will help build a new YMCA swimming pool for children with physical and mental challenges.

INVISTA's Orange, Texas, site received the 2006 Community Service Business Award from the Greater Orange Area Chamber of Commerce. The award recognizes the company's commitment of financial and volunteer resources to the community including a \$50,000 contribution to help rebuild Serenity House, which offers services to victims of abuse, alcoholism or drug addiction. INVISTA also donated \$20,000 to Orange's Meals on Wheels program, along with additional help to United Way, Junior Achievement and Habitat for Humanity.

Flint Hills Resources, together with a local builder, the City of Fort Worth, Texas, and the Stone Creek Home Owners Association, helped transform an empty lot into a neighborhood gathering spot now known as Stone Creek Park. Money donated by FHR purchased playground equipment.



A neighborhood child tries out the new climbing wall at Stone Creek Park in Fort Worth, Texas.



INVISTA's Camden, S.C., site serves as a breeding habitat for wood ducks. The ducks lay their eggs in boxes furnished to INVISTA by the South Carolina Department of Natural Resources.



Community Advisory Councils

Seeking and sharing knowledge is one of Koch companies' MBM® Guiding Principles. Koch companies are committed to working with legislators, regulators, communities, concerned groups and industry peers to develop and advance effective approaches to human health and safety and environmental protection. These companies also discuss EH&S issues with contractors who are required to adhere to the same level of commitment and performance as Koch company employees.

Koch companies participate in Community Advisory Councils in these communities:

North Pole, Alaska
Crossett, Ark.
Palatka, Fla.
Cedar Springs, Ga.
Rincon, Ga.
Monticello, Miss.
Columbus, Ohio
Muskogee, Okla.
Toledo, Ore.
Corpus Christi, Texas
LaPorte, Texas
Orange, Texas
Victoria, Texas
Rosemount, Minn.
Green Bay, Wis.
Waynesboro, Va.

Gersthofen, Germany
Oestringen, Germany
Offenbach, Germany
Dordrecht, Netherlands
Rozenburg, Netherlands
Vlissingen, Netherlands
Kingston, Ontario
Gloucester, United Kingdom
Maydown, United Kingdom
Wilton, United Kingdom
Paulinia, Brazil



*Flint Hills Resources Refinery
North Pole, Alaska*

Industry-Leading Performance

Here are some of the honors Koch companies and employees earned in 2006 for safety and environmental excellence:

Koch Mineral Services

- Stewardship Award for Safe Shipping
(Koch Nitrogen Company, Enid, Okla.)
Burlington Northern and Santa Fe Railway Company

Koch Pipeline Company

- Outstanding Achievement Award
Minnesota Safety Council
- Occupational Health and Safety Commitment Award
National Safety Council – Texas Chapter
- Million Work Hours Award, Safety Leadership Award,
Perfect Record Award, Occupational
Excellence Achievement Award
National Safety Council
- Safety Excellence Award – Owner & Safety
Excellence Award – Operator (Southern Operations)
Industrial Industry Safety Excellence Award Program
- Outstanding Achievement in Accident Prevention
Iowa-Illinois Safety Council
- Award of Honor for Exceptional Safety Performance
Minnesota Safety Council
- Certificate of Recognition
American Petroleum Institute
- Outstanding Achievement Certificate for Safety Excellence
Wisconsin Safety Council

Flint Hills Resources

- Gold Award (Minnesota and Alaska refineries)
National Petrochemical & Refiners Association
- Merit Award (Minnesota refinery and Illinois plant)
National Petrochemical & Refiners Association
- Outstanding Achievement Award (Minnesota refinery)
Minnesota Safety Council
- Thoroughbred Chemical Safety Award
Norfolk Southern Corporation
- Pretreatment Star Award (Fort Worth, Texas, terminal)
Fort Worth Water Department

Flint Hills Resources (cont.)

- Conservation & Native Landscaping Certificate of Merit Award (Joliet, Ill.)
U.S. Environmental Protection Agency & Chicago Wilderness
- Recognition for Reduction of Flaring (Texas refinery)
Pollution Prevention Partnership

Koch Chemical Technology Group

- America's Safest Companies (Koch-Glitsch)
Occupational Hazards magazine
- Level II Health & Safety Achievement Award (Koch-Glitsch, Uxbridge, Ontario)
Industrial Accident Prevention Association
- Region VI VPPPA Star of Excellence (John Zink Company, Tulsa, Okla.)
Voluntary Protection Programs Participants' Association
- Region VI VPPPA Star of Excellence (Koch-Glitsch, LP, Dallas, Texas)
Voluntary Protection Programs Participants' Association
- OSHAS 18001 (Koch-Glitsch BVBA, Belgium)
International Occupation Health and Safety Assessment Series

Georgia-Pacific

- Pulp and Paper Energy Efficiency Award (Green Bay, Wis. – Broadway mill)
Office of the Governor
- 2006 Corporate Recycler of the Year Award (Fort Smith, Ark., plant)
Arkansas Recycling Coalition
- 2006 Frank Condon Award for Environmental Excellence – Honorable Mention (Muskogee, Okla., mill)
Environmental Federation of Oklahoma
- Environmental and Energy Achievement Award – Special Recognition (Palatka, Fla., mill)
American Forest & Paper Association



Employees at INVISTA's site in Spartanburg, S.C., are industry leaders in safety performance, receiving four awards in 2006.

INVISTA

- Thoroughbred Chemical Safety Award (Charlotte, N.C.)
Norfolk Southern Corporation
- Chemical Safety Excellence Award
(Spartanburg, S.C. and Wilmington & Charlotte, N.C.)
CSX Transportation
- Industrial Honor Award (Chattanooga, Tenn.)
Tennessee Chapter of the National Safety Council
- Safety Award (Salisbury and Shelby, N.C.)
North Carolina Department of Labor
- Safety Award (Camden and Spartanburg, S.C.)
South Carolina Manufacturers Alliance
- Safety Award (Spartanburg, S.C.)
South Carolina Occupational Safety Council
- Commendation of Excellence Safety Award (Spartanburg, S.C.)
South Carolina Chamber of Commerce
- Safety Award (Athens, Ga.)
Georgia Textile Manufacturers Association
- Occupational Safety and Health Excellence Award
(Tuas and Sakra, Singapore)
Ministry of Manpower and Workplace Safety and Health Advisory
- Excellence Award for Promoting a Healthy Workplace
(Kuan Yin IFC, Taiwan)
Tai Yuan County
- Award for Meritorious Safety Performance
(Victoria and Orange, Texas)
National Petrochemical & Refiners Association
- Distinguished Service Award (Victoria and Orange, Texas)
Texas Chemical Council

Community Recognition

- Business Excellence Award (Flint Hills Resources, Minnesota refinery)
Northern Dakota County Chamber of Commerce
- Spirit of Rosemount Award (Flint Hills Resources, Minnesota refinery)
Rosemount City Council
- 2006 Community Service – Business Award (INVISTA, Orange, Texas)
Greater Orange Area Chamber of Commerce
- 2006 Partner of the Year Award
(Georgia-Pacific, Fort Smith, Ark., plant)
Partners in Education

Recognizing Our Achievements

Koch Industries annually recognizes employees for outstanding achievement in environmental, health and safety performance. Employees or teams are nominated with final selections made by a panel of reviewers. Helping recognize 2006 winners at the Koch Industries Environmental, Health & Safety conference were Charles Koch, chairman and CEO, Koch Industries, Inc.; Sheryl Corrigan, director of compliance and EH&S for Koch Industries, Inc.; Eric Kaysen, vice president of EH&S for Flint Hills Resources; Brad Rhode, manager of EH&S, Koch Chemical Technology Group; Keith Bentley, vice president, environmental affairs for Georgia-Pacific; Brad Sanders, executive vice president, Koch Supply and Trading; and Jeff Gentry, president of Koch Mineral Services, now chief executive officer of INVISTA.

Winners honored at this year's conference were:

Flint Hills Resources

Steve Orne and the employees of Pine Bend Refinery Rosemount, Minn.

Georgia-Pacific

Sam Adams, Bradley Beckham, Franz Cosenza, Micah Leis, Tom Picciano, Karl Schumacher, Scott Wagener and containerboard mill employees Toledo, Ore.

INVISTA

José Antonio Tortorella and Paulínia plant employees São Paulo, Brazil

Koch Chemical Technology Group/Koch-Glitsch LP

Richard Wise, Lisa Brunt, David Woods, Ronnie Bakkum, Sean Weber
Dallas, Texas

Koch Mineral Services / Koch Nitrogen Company

AnnieLaurie Burke, Gary LeRock, Bruce Ainsworth, Cory Zellers, Kurt Allen, Steve Ellingson
Dodge City, Kan.

Koch Supply & Trading

Aaron Weaver, Claudia Stearns, Troy Rodgers, Rodney Hance
Houston, Texas





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