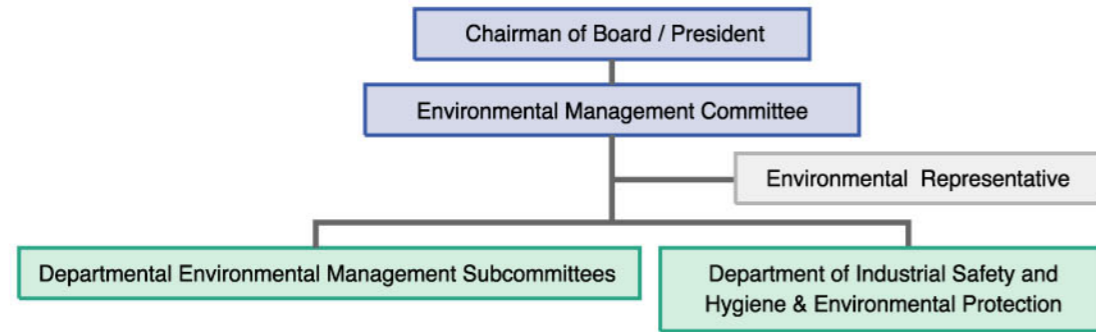




Implementation and Functions

A. Structure and Responsibility



1. Chairman of Board / President:
Approve CSC's environmental policy and commit to implementation of EMS
2. Environmental Management Committee (EMC):
Review and evaluate overall performance of the EMS and examine operation of EMS
3. Environmental Representatives:
Deal with environmental issues on CSC's behalf and report to EMC
4. Department of Industrial Safety and Hygiene & Environmental Protection (DISHEP):
Plan, promote and coordinate the environmental protection work internally and externally
5. Departmental Environmental Management Subcommittees (EMsC):
Carry out environmental protection measures drawn by DISHEP following the "plan-implement-inspect-evaluate" procedure

B. Training, Awareness and Capacity Building

1. Education and Training on Environmental Management: Minimum 3 hours for those at managerial level, 2 hours for general employees.
2. Awareness of Operation Standards: On-site work forces receive training to familiarize with the latest updates of operation standards and act accordingly.
3. Emergency Response Training: Annual emergency response drill following emergency response plan.
4. Training of Auditor: Select supervisors and senior engineers to receive audit training to conduct internal EMS audits. Corporate auditors will receive a 5-day EARA training course while departmental auditors must take a 12-hour training course.

C. Operation Control

Sixteen management areas are identified to ensure effective environmental protection in the areas of air pollution control, water pollution control, noise control, toxic chemicals, waste disposal, radiation equipment, storage of materials, pollutants transportation, procurement, sales, water resources, energy, dangerous and hazardous substances, pollution control of partner companies, recycling products and soil pollution control. Each department can make additional standard operations when necessary.

D. Emergency Readiness and Response

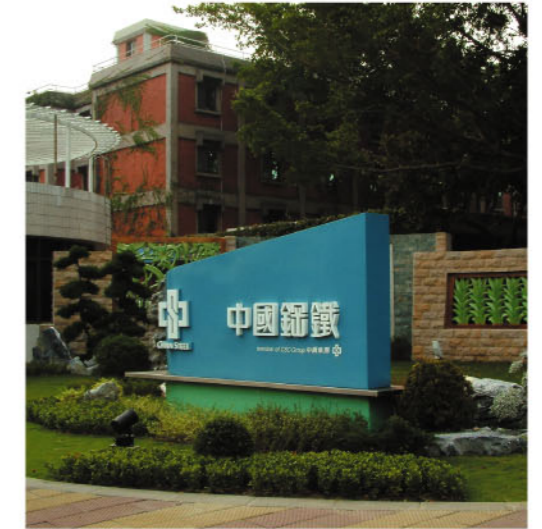
To reduce the environmental impact caused by accidents, potential hazards that may occur during production or maintenance are evaluated and an emergency response drill plan is drawn according to these evaluations. Drills take place regularly; performance is reviewed and recorded for further reference.

1. Corporate Emergency Response Plan

For the equipment (production process) that may cause the most serious hazards, CSC identifies 7 emergency situations and makes a response plan with at least one drill per year. The seven emergency situations are: liquid ammonia storage tank leakage during sintering process, COG (Coke-Oven Gas) storage tank leakage during coal coking process, LDG (Lindz Donawitz Gas) storage tank leakage during steel making process (plant I & II), BFG (Blast Furnace Gas) storage tank leakage, CSC whole plant power failure, and fuel tank storage leakage.

2. Departmental Emergency Response Plan

Each department identifies potential hazards following ISO 14001 "Identification of Environmental Aspect" and draws departmental emergency response plan with 1-2 drills per year.



Audits

There has been 9 internal audits against ISO 14001 standards from 1997 to December 2004. Faults once found were immediately corrected and reported to EMC. CSC receives periodical audits from the Standards Bureau, Ministry of Economic Affairs ever since the Bureau verified its ISO 14001. So far no major faults are detected, and minor faults are decreasing.

Management Review

To ensure applicability, appropriateness and effectiveness of EMS, the EMC holds an environmental management meeting every 6 months and an environmental management review meeting every year so that the CSC management is able to acquire necessary information to process review and evaluation.

