

Local Environmental Protection

Promotion of local environmental protection is part of CSC's corporate "good-neighbor" policy. In addition to on-site environmental protection promises, CSC pays attention to community environmental issues and activities, hoping to promote environmental concepts, help improve ecology and living quality in neighboring communities through active participation. Some of our efforts include:

A. Ecological Industrial Park and Integration of Regional Resources

"Regional integration of resources" is a recent trend in order to improve energy efficiency and achieve optimal use of resources. From 1993 CSC started to work on the establishment of an energy supply network in the industrial park where CSC plays a key role.

In terms of fluid products, CSC presently supplies O₂, N₂, Ar and coke oven gas in addition to steam from our co-generation system. In the process of integrating energy sources and applications, energy efficiency will be improved, consumption lessened, and pollution emissions will also be reduced in the region. Beneficiaries from the lessened environmental impact and better environmental quality are CSC, customers and the environment itself.

To respond to the upcoming revised Power Industry Law and privatization of power industry, CSC has set "Integration of Regional Power Supply" as a high development priority.

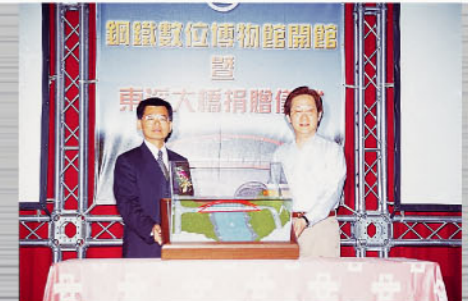
4. Typhoon Area struck northern Taiwan in August 2004, causing power failure in three water purification plants in Taoyuan, leaving 600,000 citizens in Taoyuan without water supply. In the spirit of fellowship, CSC dispatched a 30-member team consisting of management personnel, electric welders, pipe workers and drivers, twelve diesel solder machines, six CO₂ automatic solder machines, two 200-hp power generators and other necessary equipment on four fully loaded trucks with cranes to provide the plants with technical assistance. With less than two hours of sleep every day during that period, CSC experts worked to their utmost ability and successfully mitigated the Taoyuan area water crisis.

Participation in Domestic Environmental Industry

1. CSC participates in the domestic environmental industry through its engineering department and subsidiary companies based on years-long practical experience in environmental protection. A good example is China Hi-ment Corp. (CHC), established in May 1991, specializing in "BF cement" and "BF slag powder" production as well as technology development of industrial waste treatment and recycling. In waste treatment and recycling, items CHC specializes in are BF slag, BOF slag, de-S slag and fly ash. It also handles solidification of wastes containing heavy metals.



Interaction with Society



B. Community Participation

1. CSC has been actively participating in community-based environmental programs, some of which are campus greening, greening and cleaning of public roads surrounding CSC, sponsoring ecological and bird watching programs as well as publication of natural treasures and ecological highlights including "The Beauty of Wild Birds in Taiwan" and "Discover Formosa." CSC often invites community members to visit the factory site to get a better understanding of CSC's environmental performance. From 1993 CSC regularized this practice by arranging annual "Steel Tours," and so far over 30,000 school students have participated in this program. It is hoped that school students in the Siaogang District of Kaohsiung understand the work of our integrated steel mill, production flowcharts as well as environmental protection measures. They have the chance to learn about how the iron and steel industry is the foundation of heavy industry and plays an integral role in modern life. The tour is meant to be both educational and entertaining, impressing young guests with the thriving steel park before their graduation.
2. CSC set up the Siaogang Scholarship for Outstanding Students from the beginning of the 1991 school year to encourage elementary and junior high school students to achieve greater academic performance. 576 students have been granted the scholarship in the 2003 school year.
3. To promote the traditional virtues of filial duty and harmonious society, CSC has given awards to model citizens and their parents from 1995 as an appreciation for their good deeds.

2. Established in 1993, China Ecotek Corp. (CEC) is a professional environmental engineering firm with outstanding technology and performance in incinerators, wastewater treatment and waste treatment. It is expanding in more engineering areas such as co-generation, advanced water purification engineering, anti-corrosion and waterproofing businesses as well as turnkey construction projects. CEC started technical collaboration with the French company DEGREMONT in 2004 to explore high-tech environmental projects. The "Advanced Clean Water Equipment for Chen Ching Lake Water Purification Plant" project it undertook and concluded has won approval and praise from various fields for its excellent management skills, and quality and schedule control. The success of this project has benefited the community with excellent technology and has gained a good image for the CSC group.
3. With excellent human resources, a well-equipped factory, advanced technology and outstanding engineering performance, CSMC has become GE's only contractor for wind generator towers in Taiwan and has delivered three GE wind generator towers to Plant III site of Taiwan Power Company in 2004. On this basis CSMC plans to involve itself in wind energy generation programs in the future and play a leading role in alternative energy development.

