POLICY STATEMENT

California Steel Industries, Inc. understands the importance of protecting present and future human health and the environment and will continue its efforts in accordance with corporate, community, and regulatory standards.

POLICY

1.0. The Company will comply with all environmental laws, statutes, regulations, and permit conditions, taking action necessary to protect human health and the environment. This will include supporting and contributing to the development of effective and meaningful environmental standards.

2.0. The Company will use available technology and develop new technology in a continuing effort to improve the environmental quality of its operations beyond the minimum legal requirements to a level that the economic needs of the company will permit.

3.0. The Company will conserve resources through the recycling and reuse of materials and by-products wherever such practical possibilities exist and will discourage waste in all its forms. Wherever feasible, the generation of hazardous waste is to be reduced or eliminated as expeditiously as possible.

3.1. Generated waste is to be treated, stored, or disposed of in accordance with appropriate regulations.

4.0. Environmental considerations will be included in the criteria by which projects, products, processes and purchases are evaluated.

5.0. The Manager, Environmental is responsible for monitoring operations with regard to environmental practices, and to make recommendations for adjustment as necessary. The Vice President, Administration and the Vice President, Operations are responsible for the enforcement of such recommendations as they deem appropriate.

6.0. The Manager, Safety is responsible for the development of the Business Emergency/Contingency Plan for Hazardous Materials and Wastes. The Plan details the responsibilities of individuals in the event of an emergency, and shall be distributed supervisory personnel, who will review with and make available to all employees in their department.

7.0. The Company will support education, training, and involvement in the development of its employees’ awareness of environmental concerns. All employees will adhere to the environmental principles and practices detailed in Section 14 of the Safety Plan and in any work instructions given as part of their individual job.