



## **SOUTHGOBI SANDS LLC ENVIRONMENTAL POLICY STATEMENT**

SouthGobi Sands LLC (SGS) aspires to be the premier supplier of coal in Mongolia by implementing industry best practice and demonstrating leadership in environmental stewardship.

The company commits to perform all of its mining and exploration activities with full respect for the environment and pledges to return the environment to a natural state as approved by the Mongolian government. We believe that conducting our activities in an environmentally responsible manner is integral to good business management. We will utilize appropriate recognized management systems, including documentation of all relevant environmental matters and compliance auditing from SGS and other third parties to support the concept of continued improvement.

All SGS employees and contractors must accept, as their shared responsibility, that minimizing environmental harm is a priority when performing all activities associated with SGS.

### **SGS shall fulfill its commitment to the environment by:**

- Complying with all applicable legislation and regulations, and exceeding those requirements where necessary, in order to maintain a healthy and pollution free environment;
- Identifying, assessing and managing the environmental risks of our activities in all planning and operational decisions;
- Establishing and implementing management programs relevant to our environmental risks to prevent, reduce or mitigate impacts at all stages of exploration and mining;
- Promoting the participation of our employees and contractors in implementing this policy by identifying their competency requirements and providing training appropriate to their responsibilities;
- Regularly evaluating our performance through auditing our business processes and practices and monitoring the surrounding environment in which we operate;

Periodically reviewing our environmental management system and operational procedures to improve efficiency, minimize waste, prevent pollution and achieve continuous improvement.

David Bartel  
President and Executive Director  
SouthGobi Sands LLC