



DZERZHINSK, RUSSIA

KORUND ZYAN



SUMMARY AUDIT REPORT

FOR INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE
CYANIDECODE.ORG

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The International Cyanide Management Code (hereinafter “the Code”, “Code” or “the Cyanide Code”), this document, and other documents or information sources referenced at www.cyanidecode.org are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold or silver is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.



KORUND-CN JSC SUMMARY AUDIT REPORT

Introduction

This document represents a Summary Audit Report for the Cyanide Code certification audit of “Korund-CN” JSC (hereinafter – “Korund-CN” or “Korund Zyan”), a company which operates sodium cyanide production facilities located in the town of Dzerzhinsk, Russia.

The International Cyanide Management Institute (“ICMI” or “the Institute”) reviews the Summary Audit Report to ensure that it accurately represents the results of the Detailed Audit Findings Report and includes sufficient information to demonstrate the basis for each finding. Once ICMI determines that all documentation required for the Cyanide Code Certification Audit is complete, it posts the Summary Audit Report on the Cyanide Code website.

Current Summary Audit Report has been prepared based on the information available at the time of the audit. Every effort has been made to ensure accuracy of the information presented herein with the supporting evidence available where applicable. Information provided by Korund-CN JSC has been taken in good faith and has been verified where possible.

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Operation General Information

Name of Production Facility:	Korund-CN JSC, Joint Stock Company
Name of Facility Owner:	Korund-CN JSC, Joint Stock Company
Name of Facility Operator:	Korund-CN JSC, Joint Stock Company
Name of Responsible Manager:	Dmitry Bochkov, HSE Director
Address:	1st May street, 6-2, Dzerzhinsk
State / Province:	Nizhny Novgorod Region
Country:	Russian Federation
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Operation Location Detail and Description

Korund-CN JSC's sodium cyanide production facility is located within the industrial zone of Dzerzhinsk, Russian Federation. The facility has a total design production capacity of 80,000 tonnes of sodium cyanide (NaCN) per annum.

The first production line, with a capacity of 40,000 tonnes of NaCN per year (50% of the total design capacity), commenced operation in 2012. A second production line of equal capacity was commissioned in 2018, increasing the facility's total production capacity to 80,000 tonnes of NaCN per year. The operation employs approximately 8,000 man-hours annually.

The audited Korund-CN JSC sodium cyanide production facility occupies a secured 5.6-hectare site enclosed by perimeter fencing. The facility was constructed and commissioned as a greenfield project in 2012. It is fully integrated within the infrastructure of the Korund Industrial Park Site (KIPS), benefiting from shared services and centralized management systems, including wastewater treatment, site security, emergency response, and environmental monitoring programs. Site security is maintained on a 24-hour basis through controlled access and continuous guarding by armed security personnel.

The production technology was developed by EVO-NIK/Cyplus (Germany) and is based on the Andrussow process, which involves the catalytic synthesis of hydrogen cyanide from methane, ammonia and air. The resulting hydrogen cyanide is subsequently converted into sodium cyanide and processed into briquetted product form. A simplified process flow diagram for the production of briquetted sodium cyanide is presented in Figure 1.

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Hydrogen cyanide is produced by oxidative ammonolysis of methane contained in natural gas on a catalyst grid (90% platinum and 10% rhodium): $\text{CH}_4 + \text{NH}_3 + 1,5 \text{ O}_2 = \text{HCN} + 3 \text{ H}_2\text{O}$. A solution of sodium cyanide is obtained by neutralizing the formed hydrogen cyanide (HCN) with a solution of caustic soda (NaOH), while the process of obtaining a solution of sodium cyanide consists of the following two stages:

- absorption of hydrogen cyanide from contact gases with a solution of caustic soda;
- preparation of a liquid solution of sodium cyanide.

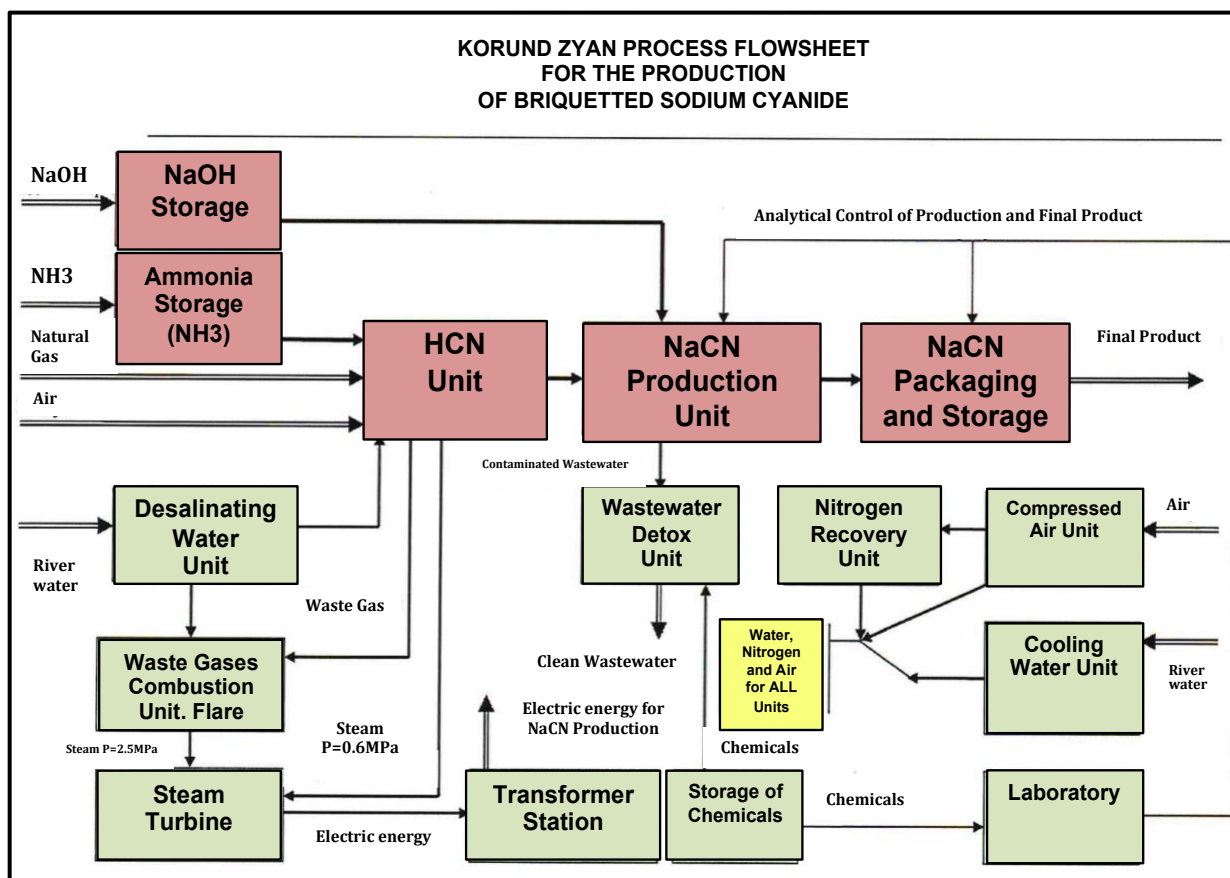


Figure 1: Korund-CN Process Flowsheet

The process of preparation of solid sodium cyanide consists of the following main stages:

- crystallization of sodium cyanide solution;
- centrifugation of sodium cyanide solution and drying of isolated solid sodium cyanide;
- cooling of solid sodium cyanide;
- briquetting of crystalline sodium cyanide;
- packaging of sodium cyanide briquettes.

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The sodium cyanide solution enters the vacuum crystallizer, the precipitated sodium cyanide crystals are separated from the mother liquor in centrifuges. The fugate returns to the crystallization stage. Sodium cyanide crystals are dried, cooled, briquetted and packed.

Korund-CN JSC operates a quality management system according to the Russian Governmental Standard GOST which derives from the international standards ISO 9001 and ISO 14001.

No significant changes have occurred at the operation since the previous ICMC recertification audit. The only change reported by Korund-CN JSC was the planned expansion of the existing wastewater treatment plant (WWTP), implemented following modifications to the treatment system design that were identified and reported during the previous audit cycle.

All process wastewater generated by Korund-CN JSC is treated at the on-site wastewater treatment plant, located approximately 50 metres from the production facility, prior to discharge into the central wastewater treatment system operated by Korund LLC (Korund Industrial Park Site, KIPS) under an existing service agreement.

Based on the monitoring data reviewed during the audit, cyanide concentrations in the treated industrial effluent discharged to the KIPS wastewater treatment system remain below 0.5 mg/L (ppm) weak acid dissociable (WAD) cyanide, demonstrating effective treatment performance and compliance with the applicable discharge requirements.

Personnel contacted during the recertification audit included the plant and warehouse operatives, medical and emergency response staff and the following managers:

- Dmitry Bochkov – Technical Director for HSE;
- Aleksey Lakeyev – Director of Production Operations;
- Artem Chibisov – Technological Equipment Maintenance Director;
- Ekaterina Marayeva – Head of HSE Department;
- Roman Sergeev – Chief Metrologist;
- Olga Iyeshina - Laboratory Head;
- Others.

Representative inspection records have been reviewed over the three-year period and beyond, following the previous Code audit. It has been established that the operation maintained continuous compliance over the audit cycle. Korund-CN JSC has not experienced any compliance issues during the previous three-year audit cycle.

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Auditor's Finding

This operation is

- ☒ in full compliance
- ☐ in substantial compliance *(see below)
- ☐ not in compliance

with the International Cyanide Management Code.

Compliance Statement

"Korund-CN operation has not experienced any compliance issues or significant cyanide incidents during the previous three-year audit cycle."

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Auditor Information

Audit Company: Greenrock International LLC

Lead Auditor: Julia Kennedy

Email: juliakennedy@kennedy-global.com

Names and Signatures of Other Auditors:

Technical Production Auditor: Bruno Pizzorni
Name (Print/Type)



Signature

Dates of Audit: 27-28 April 2026

Auditor Attestation

I attest that I meet the criteria for knowledge, experience and conflict of interest for a Cyanide Code Certification Audit Lead Auditor, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Cyanide Code Auditors.

I attest that this Summary Audit Report accurately describes the findings of the certification audit. I further attest that the certification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Cyanide Production Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

Korund-CN JSC



15 June 2026

Name of Facility

Signature of Lead Auditor

Date



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Principles and Standards of Practice

Principle 1 | OPERATIONS

Design, construct and operate cyanide production facilities to prevent release of cyanide.

Standard of Practice 1.1

Design and construct cyanide production facilities consistent with sound, accepted engineering practices and quality control/quality assurance procedures.

The operation is	☒ in full compliance with	Standard of Practice 1.1
	☐ in substantial compliance with	
	☐ not in compliance with	

Summarize the basis for this Finding/Deficiencies Identified:

All operating units, equipment, and buildings such as reactors, storage facilities, tanks, pipelines, containment areas, water treatment etc. at the cyanide production plant in Dzerzhinsk have been designed and built according to German standards, derived mainly from European guidelines. Each step of construction, implementation, start-up and running of the production and storage facilities are regulated by permits. All Project design and acceptance criteria during the design and acceptance tests are based on German standards (law, standards, technical state of the know-how, threshold values, emission levels etc.). When Russian standards required a higher performance level, the Russian standards are prevailed.

Records have been reviewed for the construction project completed since the previous recertification audit, namely the expansion of the water detoxification unit. These included state permits, expert reviews and quality control and quality assurance programs as follows:

- Design for the expansion of the wastewater treatment facility;
- Conclusion of the State Expert Review No103-053-PD/22 for the increase of the wastewater detoxification unit;
- Records of Federal Service for Environmental, Technological, and Nuclear Supervision (Rostekhnadzor) inspection certificates;
- Permit for construction issued by Rostekhnadzor;
- Records of regular inspections by Rostekhnadzor of the Volga Federal District;
- Program for the commissioning works;
- Company Management Order for construction;
- Equipment preparedness certificate.

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All Korund-CN JSC's engineering documentation and approvals for construction are retained in Korund-CN JSC's archive library at the administrative office as well as in electronic archive that allows easy search of documents. A copy of electronic archive is upgraded continuously. For all new projects, in addition to hard copies, a soft copy of documents in an appropriate format is required.

A review of selected records for the above-mentioned project, specifically, the expansion of the wastewater treatment facility at Korund-CN JSC, was conducted. The records reviewed included design drawings prepared by licensed contractors, permits, documentation of various tests (such as integrity testing of column welds and leak testing of welded connections), Compliance Reports, and handover documentation. Evidence was also available confirming that the personnel conducting the various tests were suitably qualified through experience and appointment, or that qualified accredited third parties had been engaged to perform the testing.

Engineering documentation, design documentation and approvals for construction are retained in archive's libraries and are carefully controlled with only copies of documents permitted to leave the archive.

Earlier Cyanide Code audit reports also provide evidence that cyanide facilities previously found in compliance with the Code's design, construction and quality assurance/quality control requirements remain in compliance.

All materials used for construction of Korund-CN JSC cyanide production facilities are compatible with reagents used and processes employed. The use of the correct materials was defined during the project design phase. The release of all materials for the intended use was done at the end of the basic and detail design phase. The plant has been inspected by the local authorities prior to being issued permissions to operate.

Positive conclusion of Russian State Glavgosexpertiza concerning the project confirms the design compatibility and compliance. The "Technological Process Flowsheet for the Production Sodium Cyanide Plant with Capacity 80,000 Tons per Year (ПОСТОЯННЫЙ ТЕХНОЛОГИЧЕСКИЙ РЕГЛАМЕНТ №3), Specifications of the Main Technological Equipment" provides details of the materials used in construction of all equipment and piping at the plant. Most piping and vessels used to convey and process cyanide solutions are constructed of various grades/standards of stainless steel depending on use and country of origin of the component, with some impellers and other components constructed of carbon steel.

All newly constructed facilities and structures have been subject to the independent expert review by licensed institutions (reports of inspections are available and have been reviewed).

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Finally, the materials that had been transferred from Germany, entered into the Engineering, Procurement, and Construction (EPC) design documents, verified during the project implementation. The certificates of conformance to the requirements are available according to the design documentation.

The control of the production of the main technological units and auxiliary installations for the production of sodium cyanide is carried out using the microprocessor technology, on the basis of logic programmable controllers.

All necessary technological parameters are displayed on displays installed at the location of auxiliary installations and individual systems and units. Control systems have the functions of archiving all parameters, deviations of parameters beyond acceptable values are fixed.

The technological process of the main production is controlled from the central remote-control panel (CDPU), the above-mentioned remote-control also receives information about the operation of auxiliary production units. Manual control of the technological process, as a rule, is not allowed.

An uninterruptible power supply system has been installed at the sodium cyanide production facility, ensuring the control system remains powered for three hours in the event of an external power outage. The entire enterprise is supplied by two independent power sources and also utilizes on-site power generation sources (turbines). If the power supply is not restored during this time, an emergency shutdown of the reaction system (TS01) is provided by programmable logistics controllers of the security system. In the event of a power outage, all digital outputs are switched to the "0" state, analog outputs to the "0mA" state, while shut-off and control valves are switched to the normal, safe position. Partial redundancy is provided to exclude equipment failure.

Currently there are two cyanide production lines of similar design with the production capacity of 40.000 tpa each. The lines are equipped with automatic valves located at critical points in the circuit to prevent release of HCN gas and other upsets in the process that could result in releases. The valves are activated by pressure, temperature and/or feed rate deviations. The reactor and the process equipment are equipped with pressure safety valves and membrane safety units. Safety units are installed directly in the pipes of the reactor. Reactors, columns, tanks and vessels are equipped with the instruments controlling the level and temperature. Tanks and vessels are also equipped with control instrument and automatic regulation of the level and temperature and also alarm systems signaling dangerous deviations from the established parameters to warrant explosion prevention.

The entire cyanide production process is controlled, supervised and checked by the DCS Digital Control System that was also fully developed in the project phases of basic and detail design.

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The Technological Process Flowsheet lists the controls installed for each piece of equipment and the pressure, flow and/or temperature settings of alarms and interlock systems. In addition to the interlock valves, HCN sensors are in place at the valve boxes for the hydrocyanic acid lines to detect possible leakage. The HCN sensors also activate the interlocks if HCN gas is detected.

The sodium cyanide production plant is designed to contain any spills. The entire production (including the water detoxification unit) and storage buildings where the cyanide is handled exclusively and the storage facilities of for the finished product as well are designed and constructed with a concrete surface as the first barrier line of protection.

The containment situation and the preventive measures to minimize seepage to the subsurface was verified and qualified against the verified design during the project phase “detail design”. Concrete floor surfaces that have the possibility of contact with cyanides are protected by self-leveling floors, and sections of the walls are protected by ceramic tiles with an alkali-resistant coating (a passport and a certificate for self-leveling floors were presented during the audit, data sheets for the coating materials are available, e.g. Sikafloor M112).

The basic requirements on the containments, acting as a barrier to minimize seepage were laid down in detailed user requirement specifications. In each case pump sumps are available to transfer spills or wastewaters to a wastewater collection tank.

In November 2020, major repairs of concrete coverings and their protection against cyanide leaks were carried out. Also, during the 2026 site inspection, floor surfaces were undergoing a planned repair. Surfaces are inspected every shift and monthly, with a registration in a logbook. If necessary, the sealing of reinforced concrete pallets and concrete floors is carried out. Each floor in the plant and the concrete containment for the wastewater tanks were observed to be competent and well maintained. The wastewater tanks are linked to the plant via two pipelines (one for each production line). Although these pipelines are not double contained, they are constructed of stainless steel. Also, because the operation is regulated as a Class I hazardous facility all piping is required to be inspected annually and hydrostatically tested at least every 8 years.

During the site walkover it was observed that concrete or other impermeable surfaces were intact and did not have cracks that compromise their ability to contain released cyanide.

It has been reported during the site visit that the stainless-steel floor at the Plant is being removed and will be replaced with the special-purpose acid-proof coating, apropos the repair and maintenance system and continuous improvement process.

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Technical equipment such as overfill detectors, level indicators, and high- and low-level alarms are installed at the facilities and undergo regular testing and inspection. The entire cyanide production process is monitored, supervised, and controlled through an automatic DCS (Digital Control System), which was fully developed during the basic and detailed design phases of the project.

Process tanks are equipped with visual and audible low- and high-level alarms connected to the control room. These alarms are typically configured to activate when solution levels fall below 20% and to trigger both an alarm and system lockout when levels reach 80% of the tank capacity. Specific alarm set points for individual vessels are defined in the Technological Process Flowsheet.

The use of monitoring and control instruments at hazardous production facilities is regulated by the state. Tank level alarms are inspected during each shift, with results recorded in the logbook in accordance with the relevant Instructions and the Technological Process Flowsheet. Preventive maintenance is performed monthly, following both the manufacturer's recommendations and the requirements set out in the Russian Federation Certificate of Approval for the devices. This maintenance is conducted under contract by an organization accredited to perform the work.

There have not been any changes in the secondary containment system located at the cyanide production facilities since the previous ICMC certification audit. Secondary containments have been designed to prevent releases to the environment. Construction monitoring and Quality Assurance / Quality Control (QA/QC) was conducted on the containment structures as part of the federal requirements and approved prior to the facilities being commissioned.

All storage tanks are placed in concrete pallets, the capacity of which is calculated based on the possible spillage of the maximum capacity incorporating the following aspects:

1. There is a separate buried emergency tank in the ammonia warehouse,
2. There is a buried pit for collecting spillages (pos.103/203-B05) in the warehouse of finished products A80/A20;
3. In the B60/B40 buildings there is a buried pit for collecting straits (pos. 102/202-B12);
4. Surface water, including rainwater, is collected in a buried reservoir in the building B73, there is no direct discharge of any types of wastewater into surface water bodies.

Calculations provided by Korund-CN JSC confirmed that the secondary containment areas had sufficient capacities to retain the volume of the largest tank within the containment plus the volumes of pipeline flowback and the design storm event.

Thus, it has been established that the B80 secondary containment has a factor of at least 112% of the volume of the largest contained tank, which is in line with ICMC's guideline being a factor of

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110%. Importantly, the height of the secondary containment at the B80 tank farm is in compliance with p.267 of FNP “Safety Rules Pertaining to the Chemically Hazardous Facilities” as approved by the Order of Rostekhnadzor No500 dated 07.12.2020 which states that the tanks used for storage of acids and/or alkali solutions at the amount of 1000 liters and above must be equipped with the secondary containments whose volume must be sufficient to hold a volume of the largest tank in case of its emergency leak. The height of the safety barrier of each group of tanks must be 0.2m above the level of calculated amount of the spillage.

The above calculation is based on the maximum filled tank; however, given that it needs to be filled with no more than 80%, the safety reserve will increase to over 115%. It should be noted that the Dzerzhinsk area has an average annual rainfall of about 500mm as per the data from the website of the hydrometeorological center, which is roughly 0.5m^3 per 1m^2 , one day accounts for $0.5/365 = 0.0014\text{m}^3$ per 1m^2 . Based on the fact that the containment area is 840m^2 , it is assumed that 1.176m^3 will fall into the containment in 1 day, in 3 days the volume will be 3.528m^3 .

Secondary containments for the cyanide process, storage tanks and vessels as well as containment areas built for storage and loading of cyanide containers with the final product have been constructed with concrete, HDPE and/or other materials to provide a competent barrier to leakage.

Secondary containments and cyanide storage and process tanks were inspected during the audit and showed no signs of deterioration.

All pipelines containing cyanides are all-welded with a minimum number of flange connections. All welded joints have been subject to X-ray, ultrasonic and endoscopic inspections. All inspection protocols for clearing welded joints are available. The production facilities in which these pipelines are located are equipped with a special sewer system capturing all potential releases and wastewaters, leading to a central cyanide wastewater tank and sent to the neutralization plant or returned to production. All pipelines containing cyanides are made with a bias towards the receiving tank.

The integrity of all pipelines and supporting structures are required to be visually inspected annually and hydrotested at intervals depending on the use of the pipeline, but at least every eight years, in line with requirements of Federal Rules and Regulations for Safety of Hazardous Production Facilities Interstate Standard GOST 32569-2013 “Technological steel pipelines. Requirements for the device and operation in explosion and fire-hazardous and chemically hazardous industries” In compliance with these rules, the HCN pipeline is hydrotested every 3 years and the wastewater lines every 8 years.

During the audit, the Company personnel demonstrated records of the site inspections and

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maintenance as well as reports of hydrotesting of the buried wastewater lines between the plant and the wastewater tank containment basins.

Solid cyanide is stored in separate roofed storage buildings that prevent contact with precipitation. Water systems for potable use or any other purposes are located in neighboring premises and leaks or other potential releases do not come in contact with cyanide.

Liquid hydrogen cyanide (HCN) is not stored on the territory of JSC Korund-CN. Hydrogen cyanide is generated as part of the production process and is subsequently transferred directly for further processing into sodium cyanide. No dedicated stationary storage tanks for liquid HCN are present at the facility.

As liquid HCN is not stored at the facility, requirements for secondary containment of HCN storage tanks, stabilization of HCN to prevent polymerization, and monitoring of stored HCN for indications of instability are not applicable to the operation.

The production process incorporates controls of the operating parameters relevant to the safe handling of HCN through established operating procedures and automated process control systems.

Cyanide Storage was inspected during the site visit, the storage protocols seemed in observation, integrity of the flooring was intact. Cyanide is stored separately from other chemicals or products.

The proper ventilation systems (supply and exhaust ventilation) are installed in all Storage and Cyanide packaging facilities. Russian law requires a routine monitoring of the HVAC system every 3 years. This requirement is transferred to the maintenance schedule. The warehouse is equipped with sensors for exceeding the maximum permissible concentration for cyanide. Emergency extraction ventilation inside the warehouse is designed to turn on in response to hydrogen cyanide gas detectors, in order to ensure the air exchange necessary to maintain the content of pollutant to less than the maximum permissible concentration level (i.e., 0.3 mg/m³). The amount of air exhausted is compensated by intake of air through the automatically opened accesses. Cyanide storage ventilation system, including back-up ventilation was inspected by the auditors during the visit and seemed in good order.

Sodium cyanide briquettes produced by the plant are packed into primary (polyethylene bags) and secondary (drums, plywood boxes) packaging. The IBC boxes are packed and sealed in the packing area located on the ground floor of building A20/80 and transferred to the warehouse via a covered conveyor system, which prevents the containers being exposed to moisture. Thus, no contact with humidity in surrounding air occurs because each packaging is a closed system.

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The production and storage areas are located within an industrial area of Industrial Park Korund that is protected by a very restricted access control system. Access into the plant process compound is controlled by Industrial Park Korund security guards and further by security guards of Korund-CN JSC. Access to the warehouse is further restricted to authorized personnel only that uses personal electronic permits.

Standard of Practice 1.2

Develop and implement plans and procedures to operate cyanide production facilities in a manner that prevents accidental releases.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 1.2

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN has written management and operating plans and procedures for operating its cyanide production plant. The operation of the plant is described in full in the Technological Process Flowsheet for the production of hydrocyanic acid and sodium cyanide. This document references relevant standard operating procedures (SOP), safety instructions, sequential and continuous flow charts in the DCS system.

The facility has a full set of operating procedures that describe standard practices necessary for safe and environmentally sound operations, and also for contingencies during upsets in its activities that may result in emergencies related to cyanide exposure or releases. Operating procedures, parameters and instructions covering normal, operational upsets and emergency response are documented (in operation manuals and work instructions), are being updated and kept valid. Also, procedures are in place for training, personal protection equipment and instruction for respiratory protection. These procedures include:

- Technological Process Flowsheet;
- Emergency response plan including response matrix;
- Registration and recording of environmental aspects;
- Working instructions;
- Technical documentation;
- Automatic process control system (DCS) with interlocking lists and concepts;
- Definition of operating process parameters;
- Preventive maintenance program;
- Detailed work instructions.

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Other written instructions are in place that cover all aspects of worker safety in the workplace including hot work, fire safety, explosion risk, working at heights, working with electricity, excavation works, etc. Plans and instructions are in place for preparation for, and responding to emergencies.

Plans and procedures are in place for storing of packaged cyanide (in block A20/A80) and loading/handling of packaged cyanide for delivery to customers. Technological Process Flowsheet provides safety measures for storage and handling of raw materials, semi-finished products and finished products, as well as the transportation of finished products. All operations with raw materials and finished products are carried out in overalls, safety shoes and a protective mask.

The finished product – sodium cyanide is packaged into steel barrels with a capacity of 43kg. After packaging of the steel drums and marking them according to Russian standard GOST, closed drums fed along the roller conveyor to the automatic stacker 103-X15 and is automatically placed on the pallet fed through the roller conveyor 103-X13. The pallet then enters the plant for wrapping the with stretch film 103-X19. The forklift transports them to the sodium cyanide storage.

Barrels with sodium cyanide are stored in closed warehouses in a vertical position in one, two or three tiers. Packaging for transportation of 1000 kg of sodium cyanide includes a medium-tonnage container of a standard design made of plywood (plywood box). A soft container with an inner polyethylene layer is inserted into it, which is filled with sodium cyanide briquettes. After filling and closing the flexible container, the box is closed with a lid and tied with steel tape. The filled box is transported by forklift to the sodium cyanide storage.

Packing in compound containers (ICM) type 6ND1 is made according to the instructions for packing of solid substances of class 6.1 (packing group 1) No. P-002. Three labels are used for marking the ICM: one is inserted under the ICM cover, the other two are glued on two sides of the ICM from the outside.

The air displaced during filling from the packaging material of drums and plywood boxes is pumped out through the filling heads of the loading devices, cleaned in the gas washer pos.102-F04 (TA 02). This prevents sodium cyanide dust from entering the production area.

The floor in the packing area for barrels and plywood drums is designed, as in the production building, in the form of a sealed discharge tray. Incoming wash water is collected through trenches into a receiver with a volume of $\approx 1 \text{ m}^3$. Wash water from the receiver is pumped out by the drain pump pos. 103-P01 into the waste container pos. 102-B08. To avoid overfilling, the filling level of the receiver is monitored by a sensor (LIA).

According to the company procedures, up to 1200 tons per stage (or 2400 tons in total) of sodium cyanide briquettes can be stored in the sodium cyanide warehouse in transport packaging. The

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warehouse is equipped with ramps: ramp 03-X-0600 for loading on rail transport and ramp.03-Z-0200 for loading and unloading containers on vehicular transport. The warehouse area is roofed and completely closed. Access by unauthorized persons is prohibited. The floor of the warehouse is a concrete floor that meets regulatory requirements. Rainwater falling on the roof is diverted to adjacent storm sewers.

In the sodium cyanide warehouse, only pallets and plywood boxes with polyethylene liners are combustible, but not stored products (NaCN briquettes). As a fire safety measure, production facilities are equipped with powder fire extinguishers in sufficient quantities which are checked apropos the set procedures. Aqueous solutions of sodium cyanide are highly toxic water must not be used as an extinguishing agent. For this, fire extinguishing powders are used. This is indicated by the corresponding labelling. Potential spills must be swept dry and disposed of separately in accordance with the procedures.

Transportation of sodium cyanide is carried out in accordance with the Safety Rules for the Transportation of Dangerous Goods by Rail. MSDS used for sodium cyanide is RPB №72311668-21-37887. Product registration numbers are: 4CAS143-33-9, RTECS VZ7525000, ELINECS 205-599-4, UN Code 1689. Relevant procedures, including the procedures for loading and fastening packaged product as well as the railway containers have been reviewed by the Auditors and seemed appropriate.

Importantly, Korund-CN operates procedures and quality management systems which incorporate the requirements of the ICMC's Cyanide Code, as witnessed by the auditors during the visit.

Contingency procedures are in place for addressing operational upsets and emergency shutdown. The Permanent Technological Process Flowsheet addresses operational process incidents and provides actions to correct the situations. The Plan for Localization and Liquidation of Accidents is also in place to address emergencies including fire, chemical releases and injuries. The Plan details actions to localize and eliminate possible consequences. Operating procedures detail actions to be taken in the event of an upset or an emergency. Alarms and interlocks are in place for critical equipment to shut down the process and alert operators in the event of a potentially serious event. All foreseeable situations are documented in the procedures together with the response required to rectify an upset or emergency situation.

Safety requirements in contingency and emergency situations are described in safety procedures for each profession. Examples of such procedures have been provided to the auditors and included Instructions for the packaging operatives and other plant operatives.

Procedures are in place to address changes in the facility, operating practices, personnel, and product specifications. A procedure is established by law for making structural changes of projects

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previously approved by Glavgosexpertiza. Proposed facility changes are introduced through a company order in which all service areas subject to changes, including the safety and environmental departments, are directed to discuss the proposed changes and develop a term of reference from which the engineering design is developed. The proposed design is submitted for Gosexpertiza for approval and issuance of a construction permit.

The modifications made to the cyanide production facility in relation to the expansion of the wastewater detoxification unit were subject to mandatory review by the relevant state authorities, and the required positive regulatory approvals were obtained prior to implementation.

Management of Change procedure safeguards that any changes are carried out in a safe manner. Any changes are subject to review and sign off by environmental and health and safety personnel.

Occupational safety instructions are kept up to date and aligned with production processes, as well as organizational or structural changes.

Occupational safety instructions are reviewed in the following cases:

- a) when employees' working conditions change;
- b) when new equipment or technologies are introduced;
- c) based on the results of the analysis of investigation materials related to accidents, workplace incidents, and occupational diseases;
- d) at the request of representatives of the executive authorities of the constituent entities of the Russian Federation in the field of occupational safety, or the federal labor inspectorate authorities;
- e) when state regulatory occupational safety requirements are changed.

At the time of the audit, Korund-CN has produced a Procedure on the development of the safety procedures which contained regulations pertaining to the change management protocols and seems fit for purpose.

Korund's preventive maintenance program is maintained and updated on an annual basis. It covers all equipment (mechanics, electrical, measurement devices, computerized systems, safety devices (e.g. safety valves)) for production, ventilation, lab equipment, utilities, wastewater treatment including the detox unit, safety equipment, calibration and others. The plan shows the allowed time corridors, persons responsible to do the maintenance and the responsible to double-check the results. Because the operation is regulated as a Class I hazardous facility monthly inspections of the plant are undertaken by the regulator (Rostekhnadzor).

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Annual maintenance plan has itemized equipment by the name of the equipment and its schematic reference name. The frequency of maintenance (based on the requirements recommended by the manufacturer and provided in the equipment's technical passport) and the month and estimated hours to complete the maintenance are also included. This annual chart is used to develop a monthly maintenance schedule that itemizes equipment, the date scheduled for the maintenance and the estimated hours to complete the task. The monthly schedule is updated as a record of maintenance completed. Records show the total hours of maintenance undertaken on the equipment and the hours that the equipment is in operation each year.

In particular, a list and schedule of verification of devices for assessing the conformity of measuring instruments with metrological characteristics have been developed. A schedule for checking shut-off and control valves has been developed.

Korund-CN schedules a plant shutdown annually to permit maintenance of critical equipment. Preventive maintenance programs include scheduled inspections and servicing of the packaging systems, cranes, forklifts and other equipment used to move, store and load packaged cyanide.

All equipment and systems used for product packaging, which is located in the A20/A80 blocks, is serviced in accordance with the approved preventive maintenance program.

Maintenance of vehicles used for transportation and loading of products is carried on the basis of reaching of the set operating hours under the contract by a specialized organization.

For the regulatory purposes, Korund's equipment is classified as static and dynamic with the former being listed on the state registrar and therefore closely monitored by the state authorities. Following regular inspections, approvals are issued enabling the equipment in question to operate a four-year cycle. The auditors have reviewed the latest approvals permitting the safe operation of the classified equipment till March 14, 2029 and are satisfied that the monitoring and control are at the highest level.

Korund-CN maintains, tests and calibrates process monitoring equipment as recommended by the manufacturer. Calibration certificates are retained for at least three years and have been made available for review by the Auditors. Laboratory instrumentation is also calibrated as required.

The production process is continually monitored by shift operators in the plant control room, technological parameters are monitored using control and measuring devices with the output of instrument readings in real time to the plant control room. Instrumentation readout is monitored on the control room display console. There are separate consoles and shift operators for each of the two production lines. The control systems are checked and calibrated every two years.

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Technological parameters are monitored using control and measuring devices with the output of instrument readings in real time to the plant control room. Within the time limits specified by the manufacturer, the control and measuring devices are verified at the center for standardization and metrology, which has the appropriate accreditation.

The Technological Process Flowsheet lists the instrument controls installed for each piece of equipment, including controlled parameters, periodicity and method of control, the pressure, flow and/or temperature settings of alarms and interlock systems, methods of testing and devices used, required accuracy of parameter measurement, and responsibility. Instrumentation that cannot be removed and is calibrated in-situ by the government approved contractors, all other instrumentation must be sent to a specialized licensing center for maintenance and calibration. The required calibration certificates were selectively checked during the site visit and seemed in order.

The Technological Process Flowsheet lists the parameters of the process stages, the manual control of which is prohibited. It also contains controlled parameters, periodicity and method of control, the pressure, flow and/or temperature settings of alarms and interlock systems, methods of testing and devices used, required accuracy of parameter measurement, and responsibility of designated staff.

Control systems have the functions of archiving all parameters; deviations of parameters beyond acceptable values are fixed. The technological process of the main production facilities is controlled from the plant control room, the abovementioned remote-control system also possesses information on the operation of the auxiliary production units.

The auditors have reviewed the calibration reports for 2025 and beyond and are satisfied that the equipment is calibrated apropos the established schedule.

All wastewater from the cyanide plant is directed to the wastewater tanks located in a concrete containment basin. The sanitary laboratory regularly checks the effluents, all generated effluents are sent to the wastewater treatment plant. A video surveillance system is installed throughout the enterprise. The schedule of wastewater control is maintained in the sanitary laboratory and is regular. Periodic monitoring of the condition of protective impermeable berms is carried out during the autumn-spring inspection of buildings and structures as well as during administrative and production controls. Secondary containment equipment and structures (concrete floors, tank farm containment) are monitored and checked by running a respective maintenance system apropos the existing schedule. The wastewater storage and treatment tanks for the local wastewater treatment plant are located within concrete secondary containment basins.

Additionally, the plant runs under the control of a Siemens PCS7 DCS system. Within this system

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recipes are installed and qualified to make sure no spill and unintended discharge may occur. Thus, the controlled process does not provide a spillage or unintended discharges. In case if spillages or unintended discharges may occur (due to technical failures), no spillage or unintended discharges can penetrate the environmental media. All areas where such event may occur are designed and built as a secondary containment system with specific concrete floors and canals, piping and pump sumps.

All wastewater (coming from process or from spill and unintended discharges) is collected at the wastewater tank, designed and built with sufficient volume. The wastewater tank maximum intended load volume is 70% of the total volume, controlled by the level indicator. In case of reaching the volume of >95% a redundant pair of level indicators is switched to automatically shut down the plant.

Korund-CN JSC has developed special Instruction 05-19P on handling and utilization of cyanide or other dry materials contaminated by cyanide. Solid cyanide and cyanide solution are recycled within the process and thus do not generate waste. Contaminated clothing is washed with dedicated washing machines according to defined washing parameters (temperature, cycle time, washing powder). The resulting wash water is transferred for treatment.

Waters not contaminated by cyanide solids and other materials (unusable tools, sand, gravel, others) are collected in waste drums which are labelled according to the Russian legislation requirements and are transported and disposed off by authorized waste-companies contracted by Korund-CN JSC.

The CN-contaminated waste is treated appropriately in a special reservoir, contaminated wastewater is sent for decontamination and decontaminated materials are transferred as waste to companies that have the appropriate license. Respective documentation of evidences is available to corroborate this.

All wastewater from the plant is directed to the wastewater tanks located in the two concrete containments within the plant. Any precipitation accumulated in the concrete containment basins is pumped into one of the wastewater tanks.

The requirements for packaging and labelling comply with UN Recommendations on the Transport of Dangerous Goods and Agreement on International Goods Transport by Rail and international regulation for transportation by road. Packaging and containers have Certificates of Conformity to the Standards of UN Recommendations on the Transport of Dangerous Goods, International Maritime Dangerous Goods Code (IMDG), the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), and Regulations concerning the International Carriage of Dangerous Goods by Rail (RID).

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The produced cyanide is packed in packages which are in full compliance with the international regulations for transportation of dangerous goods. There are additional special documents developed by Korund-CN JSC: Technical conditions TU2151-001-64062211-2011 'Sodium Cyanide, Technical'; Safety data sheet for technical sodium cyanide (#64062211-24-66261 dated February 9, 2021); Rules on transportation of dangerous goods; Updated scheme of placement and fastening of cyanide in railway wagons and containers. Korund-CN JSC is in possession of relevant Material Safety Data Sheets with comprehensive description and of current validity.

Korund-CN JSC has established an inspection process of incoming packaging materials such as polymeric (PE) materials or metallic drums. In the same way, the transportation vehicles are fulfilling the legal requirements, respectively. The packaging machines are operated and controlled by SCADA systems that among other controls check the use of the defined / correct packaging material.

Cyanide is loaded into the containers with the appropriate signage and shipped off in accordance with the international requirements pertaining to packaging and labelling in returnable 20-ft containers.

Standard of Practice 1.3

Inspect cyanide production facilities to ensure their integrity and prevent accidental releases.

	☒ in full compliance with	
The operation is	☐ in substantial compliance with	Standard of Practice 1.3
	☐ not in compliance with	

Summarize the basis for this Finding/Deficiencies Identified:

Routine inspections of the structural integrity of tanks holding cyanide solutions, signs of corrosion and leakages are undertaken by operators at the change of each shift as per the operator job instructions and approved charts. The facility runs routine inspections and maintenance programs to ensure the appropriate function of all equipment and technical systems, including monitoring of potential corrosion and leakage.

In addition to the above-mentioned mandatory inspections (required by Russian regulation or by Korund-CN JSC management requirements) for tanks, pipelines, containments, etc., routine inspections of tanks, valves, and pipelines are undertaken on a regular basis by the maintenance department and are also performed regularly by shift leaders and operating personnel on a daily routine throughout the facility. Preventive controls including statutory driven controls such as metering the thickness of tank and container surfaces are considered and are part of the

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maintenance program; inspection plans are defined and maintained. Plans, protocols and scheduling for secondary containment monitoring are available.

The results of these inspections are recorded in technical journals, in the equipment passports and repair logs, in acts (minutes) of inspection of the secondary protective containment, or, in case of significant deficiencies, in regulations or acts that address such deficiencies. The floors within the plant and the warehouse, secondary containments for the wastewater collection tanks were observed to be in good condition during the site visit. The floors at the Plant were undergoing planned repair and maintenance.

Inspections are regularly carried out by shift supervisors and operational personnel as well as by higher management within the framework of administrative and production control.

There are also instructions in place that detail routine inspection and maintenance requirements for the various types of pumps used at the plant as well as for containers used for transportation. Special attention is also given to the presence of cracking on a surface where cyanide containers are stored and whether traces of solid cyanide observed on a warehouse floor.

At the time of the audit, the main and auxiliary equipment, as well as the pipelines containing cyanide appeared to be in good condition and showed no signs of deterioration.

Inspection frequencies are set out in the detailed work instructions for inspection and maintenance of equipment and buildings. The inspection and maintenance frequencies are selected based on the specific equipment passport requirements which follow regulator (Rostekhnadzor) requirements. Also, because the facility is a Class I hazardous operation, monthly inspections are undertaken by Rostekhnadzor inspectors. Inspections in the framework of production control are carried out once a month, a comprehensive inspection is carried out once a quarter with the involvement of the Company management. Routine walkovers are carried out every two hours by the shift manager or technical personnel.

Based on observations made during the site visit the plant appeared to be in good condition with the equipment being well maintained indicating that inspection frequencies are sufficient to assure that equipment is functioning within the design parameters.

In addition, Korund-CN JSC performs an administrative control to ensure compliance with industrial safety, labor protection and environmental requirements, which includes 3 levels:

- I - carried out daily by the head of a structural unit (section, laboratory);
- II - carried out according to the approved schedule by the head of a production unit (head of

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production, chief mechanic engineer, chief metrologist, chief power engineer) together with a representative of the OHS department;

- III – carried out by a permanent commission, in accordance with the approved schedule.

Frequencies of inspections are defined by law or by risk assessments done during project's basic engineering and also derived from German, Russian Federation or company regulations.

Equipment condition and any areas of concern identified during the routine inspections of the plant are documented in the shift log and include the date of the inspection, name of the inspector and observations. This documentation is required also by the Russian regulations. The log-book is maintained in the control room. This logbook is reviewed and signed by the shift managers every day.

A Technical Measurement System is in place to handle the deficiencies coming out of inspections or technical checks. During handling of a necessary corrective action, the root cause and the observed issue is described, as well as the date of corrective action implementation.

The Company files a designated form on the results of the inspection, which includes information on the nature of observed deficiencies, the date of the inspection, as well as the date of deficiency being eliminated, the name of the inspector, and the measures undertaken to address and fix deficiencies identified. The results of inspections by the shift personnel are reflected in the shift logs.

According to the results of each inspection in the framework of production control, a record of checking the condition of the hazardous facility is drawn up, and an action plan is developed.

The results of inspections in the framework of administrative control are reflected as follows:

- Level I and II - by record in the logbook of checking the state of industrial safety and labor protection;
- Level III - execution of a prescription and an action plan to eliminate the identified concerns/violations.

The records contain information about specific violations, indicating the numbers of technological positions, persons responsible for eliminating violations and the dates of implementation of measures. No violations have been found during the audit; however, the auditors have provided several minor recommendations during the visit to contribute to Korund's continuous improvement processes.

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Principle 2 | WORKER SAFETY

Protect workers' health and safety from exposure to cyanide.

Standard of Practice 2.1

Develop and implement procedures to protect facility personnel from exposure to cyanide.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 2.1

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC has designed its operations in such a way as to minimize worker exposure throughout the entire process. From the commissioning of Stage I through to the commissioning and operating of Stage II the Company has developed, maintained and updated its policies and procedures in accordance with the Russian legislation as well as international best practice, such as the ICMI Code.

During the design of the technological process Korund-CN JSC has separated the process flowsheet into independent blocks in order to ensure minimal level of explosiveness. Every such block has been assessed for the energy level and subsequently the explosiveness category. The project design included remote control shut-off valves for the emergency shut-off at every block. Emergency shut off and locking time at each block varies between 9 and 12 seconds, which is below the required 120 seconds, which is in line with requirements for explosiveness category II and III.

Automatic HCN gas monitors are installed at the cyanide production and storage facilities to ensure continuous air monitoring. Cyanide production facilities are equipped with Closed-Circuit Television (CCTV) cameras and emergency alarm systems.

To prevent workers from burns, insulation of hot areas of the process equipment and pipelines is available at the working zones. Vapor and hot water pipelines are equipped with pressure and temperature gauges and also shut-off and back-flow valves. Pumps used for pumping of category 2 hazard substances are sealed. All pumps and compressors are equipped with the alarm and control systems over bearings which go off when reaching the set limits.

In accordance with the Russian regulations Korund-CN JSC is required to perform a danger and risk analysis in which all relevant aspects regarding safety at work are considered, including routine production, non-routine activities (e.g. occurring emergency cases) and maintenance activities.

During the construction stage, a comprehensive Hazard and Operability Study (HAZOP) analysis had

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been carried out that covered 20 aspects across the entire organization describing measures as reaction on non-conformities or safety related issues. The HAZOP analysis had been carried out jointly by CyPlus (the license provider), EPC (the engineering contractor) and Korund-CN JSC's managers. Standard Operating Procedures (SOPs), that describe measures to minimize worker exposure to cyanide, have been developed on a basis of HAZOP. The company has developed working instructions on labor protection, as well as instructions for safe work for all types of jobs, working places and operations.

Various measures and actions concerning personal protective equipment (PPE), monitoring devices, technical equipment, interlocks, inspection routines, procedures, instructions, emergency plans, warning signs, medical check-ups were developed and implemented in cooperation with doctors, specialists of technical services (instrumentation, electricians, mechanical service), heads of production sections, labor and safety engineers. The danger and risk analysis documents are reviewed routinely by an expert team (medical department, safety engineer and plant superintendent), periodically by internal audits or "clean and order" inspections and, if required, jointly with the workers.

In addition to these analyses, a job safety analysis had been carried out. Within these procedures all items of verification protocol chapter 2.1 are taken into account, particularly:

- Instruction "General safety instructions for the cyanide production plant";
- Instruction "Routine inspections and safety walks" as described in work instructions;
- Instruction on "Buddy system";
- Instruction "Organization for safe working on gas-handling equipment in JSC "Korund-CN JSC" (dedicated to mechanical maintenance employees);
- Different instructions concerning the handling of hazardous materials;
- Various instructions for performing of hazardous operations;
- Check list for regular biweekly inspections of HCN monitoring equipment;
- Instruction "cleaning of contaminated clothes";
- Detection of HCN, ammonia in the workspace area (monitors are calibrated and calibration records are retained for at least 5 years);
- Instructions how to react if limits exceeded inspection report regarding measurements of cyanides and ammonia by an independent laboratory (the German limits of 5 mg/m³ cyanide are met very clearly, the average exposure is approximately 10 % of the limit);
- Usage of portable monitoring devices and regular inspection (incl. it's calibration);
- Regular medical check-ups are performed and documented by the medical department of Korund-CN JSC (available 24/7 on site).

Operational procedures are also in place that provide instruction on work tasks associated with

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operating the plant. The Technological Process Flowsheet No3 and its addenda detail a list of controlled parameters for all pieces of equipment. Control systems have the functions of archiving all parameters, deviations of parameters beyond acceptable values are fixed. It also contains instructions to evaluate and rectify non-routine or abnormal situations and provides instructions on addressing emergency situations and emergency shutdown.

These procedures and plans also apply to product warehousing, packaging and loading (block A20/A80). The workplace air is continuously monitored in all buildings, including block A20/A80, using the installed gas analyzers, content of harmful substances in the workplace air is also monitored according to the approved schedule. Copies of the laboratory results for the air measurements in block A20/A80 have been reviewed and demonstrate no exceedances of the established limits.

During normal plant operations there is no contact with or exposure of workers to cyanide due to the system being a closed one. In cases of cyanide release an early warning system is in place that is instigated by detectors and other devices. Non-routine and emergency operations are regulated by the Emergency Response Plan, e.g. the behavior and reaction in case of release of HCN gas. These situations are routinely assessed via emergency mock drills. Maintenance related activities, such as tank or pump repairing or other non-routine operations are described in the maintenance SOP-system, including related safety measures.

Korund-CN solicits worker input in developing and evaluating its HSE procedures. The shift teams are working very closely together. The plant manager is integrated into the daily operations and in a close contact with the staff; formal safety meetings, informal pre-work safety sessions and operational meetings are regularly conducted.

Staff proposals are communicated to the management during the operational meetings in a timely manner. Additionally, an anonymous suggestion mailbox is installed for proposals or grievances. Work crews are involved in developing and reviewing Standard Operating Procedures.

Korund-CN JSC has determined the areas and activities where cyanide exposures may occur and require appropriate personal protective equipment or use administrative controls.

It is a mandatory requirement for all workers and contractors to wear / use personal protective equipment (PPE) in all production buildings and in the working areas during all operational activities (i.e. production, maintenance, emergency situations), including additional gas protection masks in areas, where cyanide dust or hydrogen cyanide gas may occur. The requirement for the respective PPE is defined in the instructions, shown with signs on each entry, inside and outside the buildings and is included into routine employee training. Instruction "List of gas-dangerous working places

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during NaCN production” is available and shows in detail where exposures may occur; gas detection monitoring devices are installed appropriately.

The areas where workers may be exposed to cyanide dust or hydrogen cyanide gas were also defined in the HAZOP analysis documentation that was initially developed during the development of design documentation for the second line. Areas where personnel can be exposed by cyanide dust or gaseous hydrogen cyanide are described in the standalone documents such “List of gas-hazardous works during sodium cyanide production at CJSC “Korund-CN JSC” approved by the Company order dated December 26, 2025.

Fixed HCN detectors are installed in areas where there is a risk of worker exposure to greater than 3 ppm (which is below ICMC’s 4.7 ppm) cyanide and workers are required to use specified PPE as well as carry a portable HCN detector when entering and working in these areas. It is mandatory for all persons entering the production areas to carry a respirator equipped with cartridge for protection from cyanide in the event of an emergency. It is the responsibility of all workers to ensure that they and other workers wear appropriate PPE. Interviewed workers confirmed that protective measures are being implemented and appropriate personal protective equipment is supplied in full extent. Supply and distribution of PPE is undertaken on the basis of the approved PPE List and a PPE Personal Card.

External personnel, such as maintenance staff or auditors, receive individual instruction regarding risks and the required PPE. During the audit, all personnel observed were wearing the prescribed PPE in accordance with instructions, training, and mandatory signage. The auditors were provided with all necessary PPE, and guidance on its proper use was given during the safety induction.

Monitoring equipment is in place to measure the HCN gas and NaCN dust concentration online and continuously in the facilities in a way that all working places are covered and are under control. The monitoring devices are maintained, tested and calibrated according to manufacturer's directives by a professional service company (external organization ‘Centre of Metrology and Standardization’ in Dzerzhinsk).

Alert limits such as HCN at 3.0 ppm for light alert and 5.0 ppm for sound alert—are defined for all gas detection monitoring devices in the DCS system. Thus, exceedances of the limits will be picked up immediately at the 24/7 operated control room. In case of reaching the pre-alert level (3.0 ppm) the DCS will alarm with a visual signal and subsequently a specific noise.

According to the ERP the shift leader is then to clarify the situation at the respective area. In each case an entry into the shift log file is required (information on when, where, what actions performed). HCN monitoring devices are also installed at the newly constructed big bag packaging unit and the

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storage area.

Communications and alarm means are an integral part of the technical equipment management. The following types of communication and signaling are available in Korund-CN:

- Production automatic telephone communication;
- Operational telephone communication of managers and operators;
- Loud-speaking alarms;
- Radio communications;
- Local warning system;
- Automatic fire alarm.

B40 and B60 buildings are equipped with S-40C siren with its inclusion in the general warning system of Korund-CN JSC.

Korund-CN JSC operates a SMIS system, which continuously feeds electronic data into the Unified Dispatch Point of the rescue services of Dzerzhinsk. In case of an emergency, the municipal rescue services would be duly notified without delay and ensure rapid response.

The results of recalibration activities are maintained and available at Korund-CN JSC. The records are retained for at least three years in a central archive room with defined access. Selective check of last calibration of gas monitors has been carried out during the audit.

Federal regulation requires all workers to be trained in GO-1 – Instruction on the Action of Personnel in Emission Related Emergencies. In the event of a gas emission alarm workers are instructed to alert others, have a respirator which everyone is required to carry at all times in the plant area, determine the direction of the vapor cloud, quickly and calmly evacuate to an area out of danger and perpendicular to the wind direction, and confirm their location to the head of shift. Dispatcher will alert the emergency response team. A loudspeaker system will provide workers with further instructions.

HCN gas detectors are maintained as per the SOP according to which the schedules for equipment and measuring instruments maintenance are developed. Maintenance is conducted annually in conformance with the recommendations of the manufacturer of the monitor and as required by their regulatory certificates. Maintenance is only permitted to be conducted by organizations accredited to undertake the work. The HCN gas detectors are either sent regularly to external accredited organization 'Centre of Metrology and Standardization' in Dzerzhinsk or tested at the site by the latter.

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All hydrogen cyanide monitoring equipment is tested and calibrated at least annually with subsequent Protocols being raised and Attestation Certificate issued for each piece. Any testing and calibration is conducted in accordance with the established schedule approved by the company Director. Relevant records and documents are retained for at least three years and have been reviewed by the auditors.

Korund-CN JSC operates a buddy system primarily during a new employee training and internship period. Under the Russian legislation, such training may reach a total of 60 days and includes a theory, exam and internship (minimum of 2 shifts). Buddy system forms part of the HSE management system and allows for mentoring and job training.

To ensure rapid communication, operators working with cyanide are provided with the radios. There is also a loudspeaker system at every facility involving cyanide production or handling. All employees at the plant are using a buddy system when leaving the office room or the DCS control room to enter the production area as described in the "Buddy system" instruction. Each employee involved with the technological process of sodium cyanide production has his personal, dedicated portable radio communication device, in addition to the mobile phone.

All communication systems with outside sources or with the Korund-CN JSC alert chain are installed in different offices: telephone, fax, computer network. Additional phones are available in the process area and in further locations of the plant (e.g. storage area). Emergency response equipment and PPE are stored in a proper manner.

In addition, there are procedures prohibiting an employee from entering the production area unless accompanied by a second employee who can immediately summon assistance in the event of an exposure to harmful concentrations of cyanide.

Every day before the start of the shift, the immediate supervisor interviews subordinates about their well-being, if necessary, directs the employee to the medical center of the enterprise. Korund-CN JSC has built and commissioned their own medical center counting a total of 10 staff, including paramedics, ambulance driver and a manager. The medical center is located at the site and performs employee medical examinations in addition to other tasks.

All employees are subjected to obligatory preliminary and further regular medical examinations to determine their fitness to perform their specified tasks. Medical examination is a requirement of the Russian Federation Labor Code, as well as the Order of the Ministry of Health and Social Development of the Russian Federation №29n dated 28.01.2021 and OHS Instructions and Work Instructions. Medical examinations include the ability to use a respirator, hearing and vision, and pulmonary function, as indicated by law (№29n) which establishes the frequency and scope of mandatory

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preliminary and periodical medical examinations of employees based on the type of hazardous factors of production. Thus, a worker with potential exposure to hydrocyanic acid, its salts, halogen and other derivatives (potassium cyanide, cyanogen chloride, cyanamide and others such as hydrocyanide salts, benzyl cyanide), organic acid nitriles: acetonitrile, benzonitrile etc., are to be examined once per year by Dermatovenereologist, Otorhinolaryngologist, Ophthalmologist and undergo laboratory and functional studies such as spirometry, pulse oximetry, visometry and biomicroscopy of the eyes.

Furthermore, a list of factors of the work environment is defined in the list of persons sent for a medical examination. The list is approved by the senior managers and specifies the type of work (class of working condition, factors and periodicity of medical and psychological examinations).

The clothing change policy remains unchanged since the last ICMC recertification audit. All employees, contractor representatives and visitors must use PPE, including facility provided coveralls. This requirement is provided in SOPs. Coveralls must be removed, vacuum cleaned in a dedicated “undusting” room, and stored in separate lockers at the end of shift.

In order to fulfil the clothing change procedures, black/white areas are defined as described in the operating documentation to establish a clean-dirty system. Contaminated clothing is not allowed in the office. Onsite laundry facilities are to be used for work clothes. Workers are provided with two sets of coveralls and are required to shower at the end of each shift and launder their coveralls as necessary.

A laundry room and lockers, the social area with shower room and the restrooms are available, separated in a male and in a female area. All employees are required to change clothes before working on the shop floor area. They are also required to take a shower, as well as changing and washing the clothing minimum once a week.

Instruction No.01-03 “General safety instructions for the cyanide production plant” and other procedures contain detailed description of clothes handling.

Hazard warning signs are prominently located throughout Korund-CN JSC facilities to inform workers of the various chemicals and other hazards present, as witnessed by the auditors during the plant walkover. Signs are also posted that display the PPE required to be worn in various areas of the plant. All piping is color coded and labelled to identify the contents and include flow direction arrows.

Areas where workers could potentially be exposed to cyanide dust or hydrogen cyanide gas were identified in the HAZOP analysis documentation prepared during the project phase of the new

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plant. The use of personal protective equipment (PPE) is mandatory for all employees and contractors in all production buildings and work areas during operational activities. In areas where cyanide dust or hydrogen cyanide gas may be present, additional respiratory protection, including gas masks, is required. The specific PPE requirements are defined in the relevant instructions, clearly indicated by signage at all room and building entrances, and reinforced through regular employee training programs.

Warning signs indicating the presence of cyanide, requirements for PPE, and prohibitions on fire and open flames are posted throughout the plant, including on tanks, vessels, walls, and other equipment. In addition, mandatory PPE signage and pictograms are displayed at all plant entrances and gates, as well as at the main access points to the property and facilities.

Areas where personnel may be exposed to cyanide dust or gaseous hydrogen cyanide are also identified in the document titled "List of Gas-Hazardous Works during Sodium Cyanide Production at JSC 'Korund-CN JSC'," approved by company order on December 19, 2022.

As part of personal hygiene requirements, smoking, eating, and drinking are prohibited within the industrial premises, except in designated areas or in the dining room. This restriction is included in operational safety training and is reinforced through posted signage throughout relevant areas.

All personnel, including contractors and visitors, must thoroughly wash their hands before eating, drinking, or smoking. The storage of food, beverages, or tobacco products outside the office building is not permitted; break rooms are also located within this building. Smoking is only allowed in designated smoking rooms or approved smoking areas.

During the audit, any instances of deteriorated or missing signage were immediately identified and promptly rectified. Therefore, the auditors are satisfied that the signage is present where necessary.

Standard of Practice 2.2

Develop and implement plans and procedures for rapid and effective response to cyanide exposure.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 2.2

Summarize the basis for this Finding/Deficiencies Identified:

An Emergency Response Plan ('Plan of Measures for Localization and Liquidation of Accidents in

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Sodium Cyanide Production Plant of Korund-CN JSC') has been developed in accordance with the Russian legal requirements, approved by top management and agreed with rescue team of the entire Korund site. The plan describes the response actions to be taken for various emergency scenarios, summary of the most important responsibilities in case of emergency, measures on cooperation with local and regional chemical protection organizations.

Korund-CN JSC has a written procedure such as Quality Management System document entitled 'Guidance for safe management of cyanides at Korund-CN JSC plant' detailing the necessary response to inhalation of cyanide gas or skin contact with liquid or gaseous cyanide. This document is based on requirements of ICMC. The major elements of the procedure are posted at strategic locations, included in the cyanide first aid kits, in an Emergency Response Plan, and included in Standard Operating Procedures, Safety Procedures or other documentation.

Emergency response procedures are also described in the process regulations and included in standard operating procedures, safety procedures, personnel job descriptions, or other documentation.

Showers and low-pressure eye wash stations are available at each facility of the production cycle, including the laboratory; while powder fire extinguishers are located at strategic locations on each floor of the plant throughout the site. For the dry zone there is a nearby shower station and eyewash in the adjoining room. They are inspected and maintained on a regular basis. The units are inspected as part of daily shift inspections and checked and maintained on a regular basis. Evidence of routine check / maintenance is available.

Routine inspection and maintenance of fire suppression equipment is undertaken in conformance with an annual program for maintenance of security and fire alarm systems. Fire extinguisher checks are carried out regularly with the records available for review. The scope and frequency of maintenance work is in accordance with the recommendations of the equipment manufacturers and national requirements. Maintenance, testing, and inspection records have been presented to the auditors and are found to be in good order.

During the site walkover confirmation was provided that showers, eye wash stations and dry powder fire extinguishers are available where they may be needed and selected showers were tested to confirm they are functional. Selected eye wash stations were also checked to confirm that they are in good working order and that they operate with low water pressure. Recommendations have been made by the auditors where applicable and were promptly incorporated by the production managers.

Korund-CN JSC has oxygen, resuscitator and other first aid equipment at the facilities. An oxygen supply escape hood is located on each floor of the cyanide production plant. Antidotes, such as

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sodium thiosulphate, are kept in the medical center on the territory of Korund-CN JSC.

The antidote management system and corresponding procedures are in place. Antidotes are changed according to the schedule approved by the Operational Health and Safety (OHS) department and the Chief Paramedic. Antidotes are stored under temperature conditions per manufacturer's specifications. Storage conditions are indicated on each antidote pack, storage is organized in the medical unit in a cabinet and a special refrigerator in accordance with the storage conditions of the preparation.

Water, medical oxygen, resuscitating aids (e.g. defibrillation equipment) are readily accessible at the plant and a radio communication system is used throughout the plant. The medical center located next to building A13 is operating 24/7. The medical center personnel are responsible for maintaining sufficient amount of medical products and active pharmaceutical ingredients.

Inspection of antidotes at the medical center revealed all antidotes to be within the expiry dates during the site visit.

Distance to the nearest public hospital is approximately 2 km or 15 minutes by car (from door to door). Distance from the medical center to the production areas, where potential contact with toxic gases etc. may occur is maximum 5 minutes by foot.

Korund-CN JSC inspects its first aid equipment on a regular basis with a sign off in relevant logbooks. All emergency response equipment is replaced on a schedule. Safety showers including eye wash stations connected to safety showers are strategically placed throughout the plant. Fire extinguishers and first aid boxes are located throughout the plant and are checked and maintained regularly, a portion of them by daily site tours, performed by the shift personnel. These activities are included in the local safety and environmental management system. Few first aid boxes were inspected by the auditors, focusing integrity and completeness as well as maintenance of the shelf-life requirements. All boxes inspected met the requirements.

Antidote kits are stored at the medical center within the temperature range recommended by the manufacturer. First aid equipment including antidotes is checked once every 30 days. The expiry dates on the antidotes checked during the audit were in line. There is always one medical staff on duty at the medical center. Minutes of the annual inspection of the medical center by the specialists of the city health department are available and did not show noncompliance.

The amount and the quality of PPE for all working places at the plant are defined during risk assessment of the workplaces. Personnel interviewed knew the location of antidotes and the emergency notification process. Inspection records were sampled for the audit period and found to be in order.

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The facility inspects its first aid equipment regularly to ensure its good condition and availability. The first aid and emergency response equipment are stored and tested as directed by their manufacturer and replaced on schedule so that they are effective when in use.

Korund-CN JSC maintains procedures in Russian language with the latter being the official language in the Russian Federation and one spoken among the employees. All employees have access to Safety Data Sheets and/or other information on cyanide first aid in areas where cyanide is used. Safety Data Sheets, MSDS and main informational materials are available in electronic format and partially in hard copies.

Hazard information, appropriate PPE, exposure symptoms and first aid measures are documented in the abovementioned Guidance documents and several SOPs. Product MSDS sheets are available for distribution to customers in the Russian language. All other information (process description, operating manual, working instruction etc.) are also available in Russian language.

According to Russian legal requirements additional information is available in writing at work places where cyanide handling is carried out. First-aid equipment was available in all areas visited during the site audit. The site also has additional signage concerning the presence of cyanide and precautions that should be taken. The signage was evaluated and found to be appropriate. Safety or warning signs, Safety Data Sheets, first aid procedures and other safety information are available in Russian at working places where cyanide is used. Recommendations on possible improvements have been made by the auditors where applicable.

Tanks, vessels, containers, and piping are labelled appropriately to inform workers of various substances contained and of potential hazards present. All piping is color coded and labelled to identify the contents and include flow direction arrows in conformance with site regulation which requires all piping and vessels to be labelled and color coded. The labelling was readily observed throughout the site visit and was found to be appropriate.

The direction of flow in pipes carrying cyanide solution is indicated to reduce the potential for releases and exposures during maintenance. Labeling is functional and provides workers and others with notice that a dangerous material is present as necessary to protect their health and safety.

In the warehouse all containers are clearly labelled and are clearly identified as required.

At the time of the audit, the auditors observed that Korund-CN JSC had initiated improvements in the labeling and color coding of pipes and equipment containing cyanide. Following ongoing repair and maintenance activities, the remaining labeling is planned to be implemented accordingly.

Improvement of the pipe labeling and color-coding system has been incorporated into the facility's action plan.

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Completion of the project is scheduled for September 2026. Until the project is fully completed, the existing pipe identification system remains in place and is implemented in accordance with the facility's established procedures.

Upon completion of the project, the adequacy and compliance of the pipe labeling and color-coding system with the applicable requirements will be verified as part of the facility's internal control process.

The decontamination policy is formally established and embedded within the plant's operational work instructions. As outlined in Section 2.1 (9), all employees, contractor personnel, and visitors are required to wear personal protective equipment (PPE), including company-provided coveralls. At the end of each shift, coveralls must be removed, vacuum-cleaned in a dedicated "undusting" room, and stored in separate lockers. On-site laundry facilities are used for work clothing.

Strict hygiene requirements are enforced across the facility. Eating, cooking, and food consumption are prohibited in industrial areas except in designated locations such as the dining room. Handwashing is mandatory before meals and upon returning from process areas to office spaces. Korund-CN JSC also implements procedures requiring handwashing or showering for individuals who have worked in areas with potential skin exposure to cyanide.

The company's Quality Management System, which incorporates ICMI requirements, includes Instruction No. 01-38 on PPE storage and use (dated 25 September 2025). This procedure, developed in accordance with Russian governmental standard GOST 59123-2020, defines PPE quality requirements, storage and handling rules, and assigns responsibilities for PPE management.

During the site visit, employees demonstrated a strong understanding of decontamination procedures and associated safety precautions.

Korund-CN JSC has built and commissioned its medical facilities with adequate staffing. Paramedics and other employees are aware of first aid and medical assistance that is required in both routine checks and emergency situations. The medical center always has a doctor or a medical nurse during night and day shifts. All doctors and the rescue team are trained in the application of antidotes and use of medical oxygen.

Cyanide awareness training, including symptoms of cyanide poisoning and first aid, are a part of all cyanide plant personnel training. Several facility personnel are also trained as first responders to apply antidotes. The Korund complex retains an emergency rescue team under contract.

First-aid equipment is in place at the facility. First aid and emergency response equipment is stored and in maintenance as recommended by the experts (medical doctor, manufacturer). The locked

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cabinets of the medical center contain sufficient amount of drug products and active pharmaceutical ingredients which are stored appropriately (partially cooled, as necessary).

Medical staff are in possession of the Emergency Response Plan and area aware of actions required in case of an emergency involving cyanide poisoning, among others. The distance to the next public hospital is approximately 2 km or 15 minutes (from door to door). The distance from the medical center to the places in production, where potential contact with toxic gases etc. may occur is maximum 5 minutes by foot.

Annual checks (mandatory requirement) of the medical center and its equipment / medical devices / drug products / active pharmaceutical ingredients are performed by experts from municipal health department.

The most recent inspection was conducted by Rospotrebnadzor, the Russian federal authority responsible for sanitary and public health oversight, as part of the licensing process. Following the inspection, the facility received the required sanitary and epidemiological approval.

In case of a cyanide exposure, treatment will be undertaken by site medical staff in the first instance apropos the established treatment protocol. Should the injuries be too severe to successfully treat on-site patients would be transferred to the local hospital. The Korund-CN JSC's medical center maintains an ambulance for conveying workers to the local hospital.

The Korund-CN JSC site is located close to city of Dzerzhinsk, in the middle of a chemical industry area (Industrial park). Because of this local focus, the established hospitals, fire-departments and brigades, first-aid organizations and others are used to be trained in emergency cases caused, among others, by cyanide exposure; and all these institutions have the necessary equipment and the individual experience to respond to cyanide emergencies and risks.

Periodic round-table meetings with these institutions are on a regular schedule. After a qualified first aid treatment of potentially hurt / poisoned persons the transfer to the next hospital (approx. 2km / 15 minutes (from door to door)) will be done by the hospital-owned emergency vehicle. This procedure is also described in the Plan of Measures for Localization and Liquidation of Accidents in Sodium Cyanide Production Plant of Korund-CN JSC.

The decision on sending a worker exposed to cyanide to a particular medical facility is made by the ambulance personnel, arriving at the enterprise. Russian Federal Law No. 323, dated 21.11.2011 requires all medical facilities across the country to provide emergency first aid without the need for a special agreement. Taking into account that cyanide plant is located in the middle of a chemical industrial area (Industrial Park), the established hospitals, first-aid- organizations and others are used to be trained in emergency cases caused, among others, by cyanide exposure; these institutions have

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long been in possession of the necessary equipment and the individual experience to respond to cyanide emergencies and issues.

Reportedly, Korund-CN JSC has notified a local hospital, BSMP, of the potential need to treat patients for cyanide exposure, and the site is confident that the medical provider has adequate, qualified staff, equipment and expertise to response cyanide exposures. Special letter is sent by the site management to the local emergency medical hospital. The BSMP hospital is the only hospital in the close proximity capable of providing emergency treatment to heavily poisoned patients.

To date, there has been no cyanide exposure incidents at any of Korund-CN JSC facilities. Procedures are in place to investigate and evaluate cyanide exposure incidents to determine if the operations programs and procedures are adequate or need to be revised in order to protect workers health and safety. All the cyanide plant's programs and procedures maintained are defined in controlled documents. In general, there are two ways / rationales to review and update those plant's emergency response programs and procedures: driven by time and driven by event.

As legally required, instruction for Registration, Recording and Investigation of Accidents, Incidents in Korund-CN JSC is in place to investigate and evaluate incidents, including cyanide exposure incidents, to determine if the facility's programs and procedures to protect worker health and safety and to respond to cyanide exposures are adequate.

No cyanide related incidents have occurred since the certification audit, while records are available for other types of incidents demonstrating the procedure is being used. According to Russian requirements an evaluation of an incident situation must be completed, and Emergency Response Plan (ERP) must be reviewed and updated as necessary after each incident. This combination of event and time driven procedure is mandatory under the Russian legal requirement, approved by Rostekhnadzor by Order # 781 dated 26.12.2012 'Procedural Guidelines on Development of an Accident Containment and Response Plan at Exposure and Chemically Hazardous Facilities'.

Operational mock emergency drills are conducted regularly based on a schedule that is developed annually. These drills simulate operational upsets including equipment failures, equipment depressurization and chemical releases.

Mock drills are also undertaken by the rescue team to test emergency response to releases and personnel exposure and injury to hazardous chemicals. These drills include participation of third-party responders. The drill results are evaluated and analysed and are used to further enhance the procedures. All results are archived and controlled. Records on most recent drills conducted in the cyanide production were provided for review.

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Principle 3 | MONITORING

Ensure that process controls are protective of the environment.

Standard of Practice 3.1

Conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 3.1

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC is not a user of water objects and does not carry out any direct discharges of sewage waters into water bodies. Therefore, the requirements of industrial monitoring and water bodies protection are not applicable by law. However, to ensure safe operations, Korund-CN JSC carries out monitoring activities within the boundaries of its tenement based on the monitoring plan and the program. Monitoring Plan dated 16 November 2022 is comprehensive and outlines the frequency of water and air monitoring as well as the determinants analysed with the approved maximum permissible limits and detection limits. The monitoring boreholes are located on the sanitary-protection zone downstream of the site.

Korund-CN JSC is a Hazard Category I enterprise based on the Russian Federation industrial classification system with regard to the impact on the environment resulting therefrom. Each category has a prescribed set of rules that a company is obligated to fulfil. Being a Category I enterprise, Korund-CN JSC undertook to develop maximum permissible emission limits, obtain a permit and carry out monitoring and control of emissions, including the frequency and the list of determinants. The determinants have been derived from the norms established by the Best Available Technologies Directory (BAT) issued by the state authorities. According to the BAT Directory ITS 33 – 2020 “Production of Special Inorganic Chemicals”, main pollutants from sodium cyanide production operations include ammonia, hydrogen cyanide, nitrogen oxide and nitrogen dioxide. Sources of pollutants have been identified, itemized and are reported to the state authorities (Rosprirodnadzor) annually between January and April.

Rosprirodnadzor, the controlling authority, has a functioning electronic portal where every enterprise being an environmental polluter, including Korund-CN JSC, is registered with an active account. All reporting that is required of Korund-CN JSC to ensure continuous compliance is submitted on the portal electronically with the relevant status assigned to each report. Following a successful submission of such reports, Korund-CN JSC transfers payments for the pollution of the environmental media (namely ambient air) to the state authorities with the deadline being March

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10 of each year.

As noted earlier, Korund-CN JSC Production Plant has no direct discharges into surface water. The storm water coming from rain, snow, cleaning processes or unintended spill is collected into dedicated wastewater tanks with varying grades of concentration. The site is designed as a secondary containment, where necessary. A system of containments, particularly in production and storage areas, and also in the tank farm, decontamination area and wastewater detoxification unit is designed and equipped with a sump pump system that leads all different waters (including storm water) into the collecting system. Thus, the decontaminated process water is ultimately treated by the KIP's wastewater treatment plant.

Korund-CN JSC's process wastewater is treated at the on-site wastewater treatment plant (WWTP) located near the production plant (approximately 50m) prior to being discharged into the KIP's sewage system. Monitoring and control systems are in place to prevent unplanned spill into the sewage system. There are requirements that continuous monitoring must be maintained and in case of exceeding values the discharge must be stopped immediately. When subsequently the buffer volume of the WWTP is reached, single plants (e.g. Korund-CN JSC's cyanide plant) must be shut down. Reportedly, this has not occurred since the start-up of Korund-CN JSC plant in 2012.

The site has developed a detailed industrial environmental control program that has been approved by the General Director and is updated as required. This document contains detailed information on cyanide emission sources, information on how and where samples should be taken, methodology of analyses, etc. Monitoring is carried out by the accredited laboratories according to the approved schedule. The concentration of free cyanide in wastewater is allowed to be maximum 0.05 mg/l when transferred into the KIP sewer system.

Surface water, including rain and snowmelt, collected at the cyanide production facility is channeled to the storm sewer, from where it is directed to the buried storm water tank located at the B73 building. In the B73 building, surface water is separated from mechanical impurities. As surface runoff accumulates in building B73, a laboratory analysis of the runoff is carried out to measure the content of cyanide ion. If the mass fraction of cyanide ion is less than 0.1mg/l, then surface water is sent to the industrial sewerage system of Korund LLC via a chamber sump using a submersible pump. If the cyanide content is more than 0.1mg/l, then the surface water is treated with hydrogen peroxide in order to reduce the mass fraction of cyanide ion to the specified values, after which it is transferred to the industrial sewerage of Korund LLC.

Thus, the detoxified process sewage water including the collected surface water is transferred to Korund LLC's wastewater collector. The larger KIP site (Korund LLC), albeit not a subject of this audit, does not discharge cyanide-contaminated water into the surface water bodies. However, monitoring of quality of the surface water and groundwater upgradient and downgradient of the discharge is

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carried out regularly. No exceedances have been revealed since commissioning of Korund-CN JSC operations.

Consequently, the following wastewater streams are generated at the Korund-CN JSC facility (Figure 2 below):

- Domestic wastewater is transferred to the sewerage collector of Korund LLC through which the water is transferred to the city treatment facility Vodokanal;
- Rain, snowmelt and runoff water is discharged from the sodium cyanide production site into buried tank (B73) and is subsequently sampled for the cyanide content, in case of exceedances it is sent for further decontamination at the water treatment plant;
- Process water, including the return water (after washing of the equipment) is collected on the water treatment plant, the return water is collected by Korund LLC apropos the existing agreement.

Contractually, Korund LLC is a responsible water management entity for Korund-CN JSC where all sewage water from Korund-CN JSC sodium cyanide production enterprise is discharged into the existing sewage systems owned by “Korund” LLC while all water coming in is provided by the same, namely:

- Contract for the supply of the energy resources dated 01 July 2014 where Korund LLC undertakes to provide filtered water to Korund-CN JSC and accept domestic waste for treatment;
- Contract 73186-17/KC.130.17 dated 01 February 2017 where Korund LLC undertakes to accept all runoff water and decontaminated process water at the amount of 336,1m3/hr and continuously control the quality of water discharged by Korund-CN JSC into the wastewater treatment system operated by Korund LLC.

Hydrologically, Korund-CN JSC sodium cyanide production site is located outside of the zone of hydrological processes and phenomena related to the potential influence of water bodies.

The entire Korund-CN JSC production facility is constructed within a secondary containment discharging to the Korund-CN JSC decontamination unit. The cyanide concentrations in the wastewater prior to discharge into the KIP’s sewer are determined by titration every 5 to 10 minutes and displayed in the Korund-CN JSC control room and also shown directly in the separate wastewater treatment plant control room. The laboratory also undertakes sampling on a daily basis to verify and cross-check the correctness of the automatic titration. The abovementioned measurements show that the free cyanide content prior to the KIP’s WWTP is not higher than 1 ppm. Laboratory test results reviewed by the auditors at the time of the audit (April-May 2026) demonstrate that the cyanide content (free CN) in the tested water is below 0,005mg/l free cyanide.

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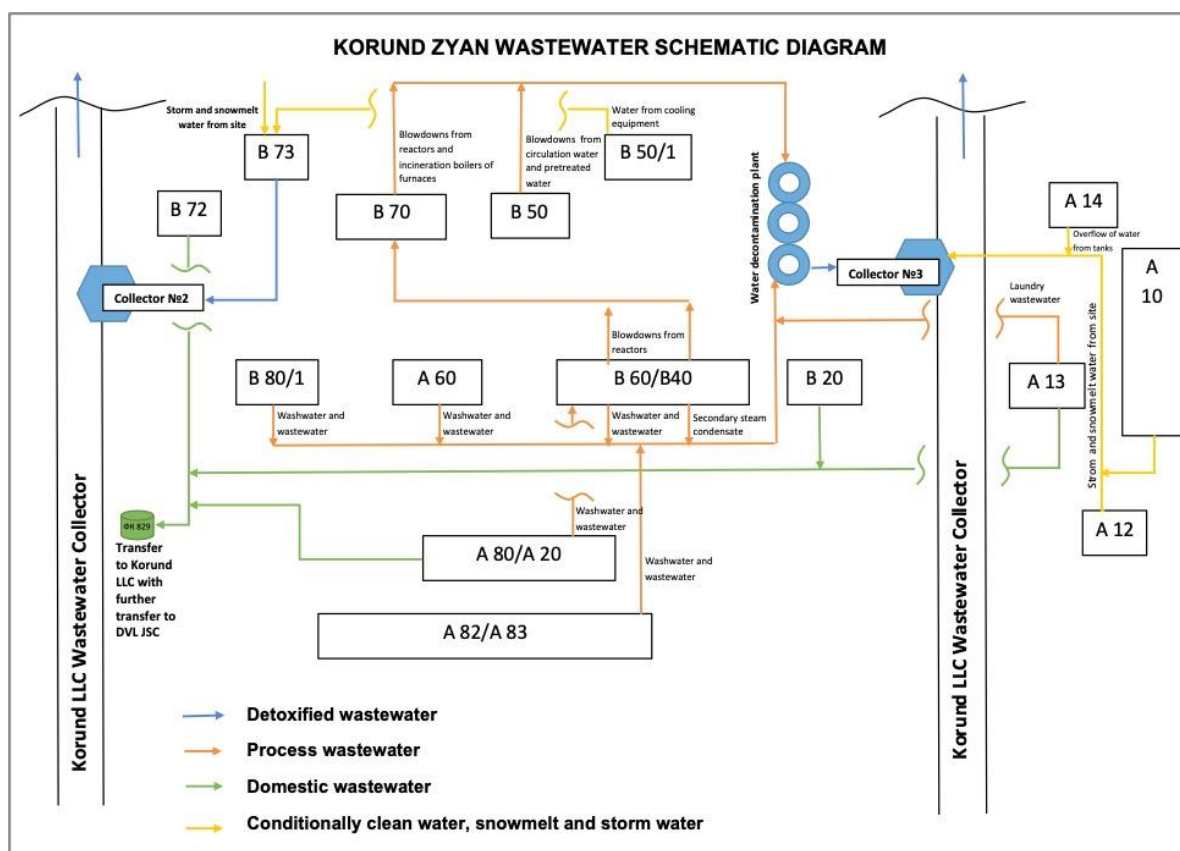


Figure 2: Schematic Diagram of Wastewater Streams at Korund-CN Process Facilities

The cyanide content leaving the Korund-CN JSC water detoxification unit thus meets the current wastewater permission requirements. As reported by Korund-CN JSC management, the downstream Korund Industrial Park Site operated wastewater treatment plant collects this process wastewater and performs a mixing with other treated process wastewaters from other enterprises located within the Korund Industrial Park area. The continuous measurements after final mixing and before discharging to surface water shall be lower than 1 ppm CN-free and 0,5mg/l WAD CN, as required by the Russian legislation.

Korund-CN JSC conducts waste management activities related to the accumulation of waste, detoxification, transfer of waste for management, handling and disposal under the agreements concluded with the organizations licensed to undertake collection, transportation, handling, disposal and storage of waste classified as hazard 1-4 category. Korund-CN JSC does not have waste management and handling units.

Accordingly, Korund-CN JSC has a written plan and relevant procedures for its monitoring activities

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developed and approved by the appropriately qualified persons. No exceedances of the permissible limits have been identified.

The Korund-CN JSC Production Plant does not have a direct discharge to surface water bodies. The facilities are fully integrated in the infrastructure of the Korund Industrial Park Site, including those pertaining to the wastewater management and treatment. Korund-CN JSC is therefore not a user of water objects, does not have water use agreements with the state authorities or water body use permits.

There is no direct discharge of sewage waters into water bodies, all sewage waters are transferred into the collector system under the agreement with “Korund” LLC. Volume of sewage water is accounted for on a monthly basis using indirect methods. Person responsible for the accounting of water consumed and the wastewater is Chief Power Engineer. The list of pollutants in the wastewater and their permitted concentration limits are regulated contractually with cyanide anion being the main pollutant.

The concentration of free cyanide in wastewater is allowed to be maximum 0.05mg/l into the KIP’s sewer system. The continuous measurements of Korund-CN JSC laboratory show that the free cyanide content at Korund-CN JSC’s WWTP release point (interface to Korund Industrial Park Site WWTP) is not higher than 1 ppm. Korund-CN JSC Cyanide Production Site confirmed that KIP’s wastewater plant is in full compliance with the Russian legislation on the water management aspects.

The analytical method used for cyanide determination is an approved analytical method applicable in the Russian Federation. Under Russian regulatory requirements, a maximum permissible concentration (MPC) is established for free cyanide. Separate MPCs are not established for WAD cyanide. For regulatory assessment purposes, total cyanide is assessed against the applicable MPC established for free cyanide.

The analytical method is capable of determining free cyanide at concentrations below 0.005 mg/L. WAD and total cyanide are determined using the applicable analytical procedures; however, Russian regulatory requirements do not prescribe separate method detection limits for these parameters.

According to the site management and reviewed documentation all relevant permits are in place and permit requirements are met. Cyanide concentrations do not exceed the established limits at either Korund-CN JSC or Korund LLC.

There are no indirect discharges to surface water at Korund-CN JSC. The wastewater is piped into local cyanide neutralization treatment plant and then to the Korund Industrial Park where it is mixed with wastewater from other plants located in the area and then passed through the treatment facility before being discharged to the Oka River. The WWTP of the KIP was not a subject of the audit, however, the analytical results of wastewater discharged have been reviewed and demonstrated

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that the concentration of free cyanide does not exceed 0.005 mg/l. The results have been reviewed for 2025-2026, no exceedances have been revealed. The samples for those analyses have been selected at the baseline and the control points which are located 0,6km upstream of the water discharge point and 0,3km downstream of the discharge point, as approved with the “Oksko-Volzhskiye UGMS” regulator.

There are 3 boreholes on the territory of the enterprise (Figure 3 below) located on the sanitary-protection zone along the Oka riverbed, from which groundwater is taken twice a year in spring and autumn (April, October) in order to determine the concentration of cyanides.

The concentration does not exceed the norms established by Russian legislation by Hygienic standards GN 2.2.5.1315-03 (SanPiN 1.2.3685-21 has been in effect since 01.03.2021). Corresponding results of groundwater analyses for the last three years were provided for review and did not reveal any exceedances.



Figure 3: Location of Groundwater Monitoring Boreholes at Korund Zyan

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The water body shown in Figure 3 is an artificial water storage reservoir. The Oka River is located approximately 3 km from the production facility.

This water body is included in the operation's cyanide monitoring program. Laboratory tests have confirmed that there is no presence of cyanide in the water. During the audit, it was confirmed that no direct discharge of industrial wastewater is made to this water body. Industrial wastewater generated at the facility is directed to the centralized wastewater treatment system of the Korund Industrial Park Site (KIPS).

The entire operation of the Korund-CN JSC Production Plant is configured without direct discharges into surface water bodies, utilizing a secondary containment system that redirects any runoff to the Korund-CN JSC decontamination unit, preventing any drainage or seepage into the water feature.

The facility has an established system for the controlled collection and drainage of industrial and surface runoff, which prevents uncontrolled discharge to the water body. No evidence of direct discharge, drainage, or seepage of cyanide-containing water into the water body was identified during the audit.

The potential for cyanide to enter the water body is assessed as part of the facility's environmental monitoring program. The water body is included in the cyanide monitoring program through three monitoring wells located upstream. Direct water sampling from the reservoir is not conducted, as it is not a requirement by the Russian Federation in this case.

Given that cyanide concentrations in the treated industrial wastewater discharged to the KIPS wastewater treatment system remain below 0.5 mg/L WAD cyanide, the existing wastewater management system provides effective control of the potential impact of cyanide on the surrounding environment.

Analyses of groundwater from the 3 boreholes at the territory of the enterprise located along the Oka riverbed did not reveal any exceedances of the established norms for the duration of Korund-CN JSC plant operations since commissioning.

Korund-CN JSC is on the list of objects whose owners are obligated to carry out monitoring of ambient air stipulated by point 3 of Article 23 of Federal Law N96-FZ "On ambient air protection" dated May 4, 1999. To abide by this law, Korund-CN JSC has developed ambient air monitoring program and conducts air monitoring apropos the approved schedule. Air monitoring at the emission sources is conducted annually. To date, no exceedances have been reported.

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In order to carry out environmental monitoring on the territory of Korund-CN JSC, the following organizations are deployed on contractual basis:

1. "Korund" LLC sanitary laboratory based in Dzerzhinsk (Accreditation Certificate RA.RU.512820 dated 24.07.2015 in the accreditation field to conduct measurements of the ambient air and atmospheric pollutants);
2. "Ecomonitoring" analytical laboratory based in Kazan (Accreditation Certificate RA.RU.21HB26 dated 06.08.2022 in the accreditation field of conducting ambient air on the sanitary-protection zones).

Total gross amount limit of atmospheric pollutants resulting from Korund-CN JSC operations is established at 163,2361 tons per annum. To date, no exceedances have been reported.

Korund-CN JSC has installed and operates a supply and exhaust ventilation system in the production premises of the enterprise, providing forced air exchange in the premises in order to ensure safe working conditions for the employees.

Korund-CN JSC has developed measures to reduce emissions of pollutants into the atmospheric air during periods of adverse meteorological conditions, these measures have been approved by the Ministry of Ecology and Natural Resources of the Nizhny Novgorod Region (letter Ex-319-223233\26 dated 23.04.2026).

Also, an agreement has been signed with the Upper Volga Hydrometeorology and Environmental Monitoring Federal State Budgetary Institution on providing a forecast of unfavorable meteorological conditions to the Korund and indicating their degree of danger. Upon receipt of information about unfavorable meteorological conditions, the company performs procedures to reduce emissions in accordance with the degree of the unfavorable meteorological conditions on the basis of agreed measures.

Results of monitoring of atmospheric air in several locations at the Sanitary Protection Zone (1 measurement per point annually) did not reveal any exceedances. The results of air emission monitoring are summarized in Excel sheet and are available for the entire period of the site operations.

Korund-CN JSC has established its monitoring frequencies, cyanide concentrations and the media being monitored in accordance with the Russian law which are strict and suitable for Hazard Category I enterprises. Any potential leakages or emissions beyond the permissible limits would be detected by the continuous sampling at the Korund-CN JSC laboratory and/or stationary gas monitors.

The monitoring frequency (twice a year) of the groundwater condition seems to be sufficient because all potential handling areas are constructed to keep potential spills away from soil / natural ground. This is also valid for weather situations including strong wind.

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The monitoring frequency (continuously = minimum daily by off-line lab measurements and on-line measurements approximately each 5-10 minutes) of the process water (including the collected surface water) seems to be sufficient because all potential changes (e.g. caused by technical defects) can be detected in a timely manner (maximum 10 minutes grid of automated measurement; with respective communication in case of non-compliance). Reactions on non-intended situations can be performed in a way to safely protect the environment and to prevent outside spillage. Thus, the established monitoring proves to be sufficient.

The monitoring frequency of the gas emission sources and concentration of cyanide at the border of Sanitary Protection Zone are established responsibly and are sufficient from the auditors' point of view.

Principle 4 | TRAINING

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Standard of Practice 4.1

Train employees to operate the facility in a manner that minimizes the potential for cyanide exposures and releases.

The operation is	☒ in full compliance with	Standard of Practice 4.1
	☐ in substantial compliance with	
	☐ not in compliance with	

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC conducts employee training in accordance with the approved training program. All new workers are required to complete a training program on hazard awareness, health effects of cyanide, the symptoms of cyanide exposure, the procedures to follow in the event of exposure and emergency response algorithm. This training includes understanding of hazards associated with cyanide and response to cyanide-related emergencies. Semi-annual refresher training is also a regulatory requirement.

As legally required, there are several types of trainings for the employees specified by the Company: induction, primary, regular, and targeted.

Induction training is required to be completed before any work is undertaken on-site and over the period the supervised training is done. Emergency response actions to alarms and evacuation requirements are provided to all persons entering the site. Detailed safety inductions include specific measures to protect human health and environment from cyanide release and exposure for those

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personnel that undertake work in and around the cyanide facilities.

Regular training with obligatory refresher training is conducted for the workers once every six months with examination after the training. Regular training is carried out in accordance with the list of obligatory instructions with the records being made in a training log at the workplace. The hazards related to the substances used in production are described and addressed in the Technological Process Flowsheet as well as in a written procedure of Quality Management System's document entitled "Guidance for safe management of cyanides at Korund-CN JSC plant" detailing the appropriate response to inhalation of cyanide gas or skin contact with cyanide, which serves as training material for the trainings conducted.

Following completion of the training, all workers are required to sit an exam. Those workers who pass the exam are awarded with a certificate. Such certificates differ in a validity term, which is 1 year for professional workers and 3 years for the managerial personnel.

OHS Department Manager has a heightened responsibility in the Company and is required to pass additional training on industrial safety which constitutes a 40-hour course. Evidence of successful completion of such training is recorded in a Protocol.

It should be noted that in 2025 Korund-CN JSC transitioned to a digital training format. Depending on their role, employees are assigned specific training modules that must be completed within a defined timeframe, followed by a knowledge assessment upon completion. In cases where an employee does not pass the assessment, an additional attempt is permitted.

Each training module includes role-specific materials presented in various formats, such as text, images, and videos, as appropriate for the job requirements. The auditors have been demonstrated the training system and found it comprehensive and fit for purpose.

Interviews with personnel and personnel training records have confirmed that workers are trained in responding to cyanide-related hazards prior to undertaking work and that all personnel receive both initial and periodic refresher training as required.

Korund-CN JSC has evaluated the risks, hazards, skills and training required, and developed written policies, practices and procedures to protect employees during the course of their work. Training includes the use of appropriate PPE including gas masks and respirators. This training is mandatory and must be repeated according to the approved schedule at least once every six months.

PPE training is covered in all levels of company, cyanide production plant and other operations and there are specific management and operational procedures regarding PPE storage, maintenance

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and which type of PPE is required in the different operations within cyanide production plant. Training records are kept in good order and include a Training Completion Protocol on the use of PPE which was issued by the “Industrial Safety Advanced Training Institute”. Interview with employees confirmed that training on how and when to use PPE is provided on a regular basis.

Korund-CN JSC trains workers to perform their production tasks with minimum risk to worker health and in a manner that prevents unplanned cyanide releases. The annual training plan is approved at the beginning of each year. The plan includes training elements and specific training materials for each working place.

All personnel, including contractors, governmental inspectors, auditors and other visitors are required to go through quick training/inductions prior to accessing the industrial area. All personnel involved in the production and management of cyanide are trained to perform their assigned tasks in a safe and environmentally sound manner. New employees are required to work under direct supervision for 60 days in order to grasp all elements of the job before being permitted to work alone.

The operating employees are qualified as skilled chemical workers on the basis of their professional education. They undertake professional training, including training on-the-job for a 60-day period and complete their learning with internship and examination that leads to a certificate. Such education is a basis for further training which is a specific requirement to every employee. Another type of training is a basic safety training which is enforced by Russian regulations or which is in accordance with the operation’s risk analysis, such as handling of hazardous materials, use of PPE, alarm and emergency response, emergency drills, cyanide exposure and response to that, and knowledge of operating procedures and instructions. These types of training are mostly a mandatory requirement and have to be delivered annually by qualified trainers, unless provided otherwise.

Training requirements are specified in the Company standards. Workers in the cyanide production plant are required to pass through a specialized training for vessels under pressure, work at height, maintenance of technological pipelines, first aid, etc. Training certificates of all workers and specialists were available at the site during the audit. The logbook contains data on certificates, date of the training and dates for the next training. Employee training is thoroughly planned by the Company with monthly budget set aside based on the approved program.

The training is carried out once every six months or every three months in accordance with the list of obligatory instructions containing all regulations and methods for every specific cyanide related task to ensure safe operations. Training with knowledge checks is conducted annually for all staff.

Instructions are developed for every workplace and include requirements on safe conduct of the production process, emergency response, maintenance and other types of works pertaining to

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worker safety.

Managers and specialists of the cyanide production plant undergo mandatory training on labor protection, industrial safety, and fire safety minimum.

The main change since the previous audit relates to the tightening of regulatory requirements. Senior managers are now required to complete mandatory training and submit training protocols, including knowledge check results, to the relevant state authorities. As part of this framework, managers, including HSE managers, undertake training within the unified Russian occupational health and safety system.

This training covers, among other topics, safe execution of earthworks, safe methods for the assembly and disassembly of buildings and structures, and the operation of technological equipment. These competencies form the basis for subsequent training and knowledge assessments conducted by senior managers for plant personnel. The relevant training records are maintained on the website of the Ministry of Labour of the Russian Federation and are updated every three years.

In addition, senior managers are required to confirm their qualifications through formal training and examination on the unified testing portal of Rostekhnadzor. These attestations are conducted on a five-year cycle.

Training records are documented and retained for all personnel, including contractors, governmental inspectors, and visitor inductions.

All employees at Korund-CN JSC are trained prior to performing work with cyanide. These include workers in the cyanide production units, cyanide packaging and storage, forklift operators, medical workers and laboratory staff. The operating employees are qualified as skilled chemical workers on the basis of their professional education. They go through professional training, particularly on-the-job training mostly for the first three months of their job.

With Korund-CN JSC being the Hazard Category 1 operations, it is required to comply with stricter requirements from the regulatory bodies. Therefore, training on the industrial safety is a mandatory requirement from the Russian state.

All new employees are required to be accompanied by designated persons (supervisor or qualified specialists) for the period of their job training and training in safety according to the Company Order to gain sufficient experience at the workplace. In case a newly hired worker does not possess the necessary qualification, the worker is offered a training course in an educational agency in accordance to his/her major field of occupation.

In order to obtain clearance to work, upon completion of training, workers are required to sit an

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examination in line with their occupations. Should the examination be failed, a worker would not be admitted to a workplace until such time when a required examination result is achieved.

To obtain hands-on experience in the field of safety, accident prevention and elimination in production facilities with Class I and II explosion hazard, all workers and engineering staff directly involved in the management of technological processes and equipment operations at such facilities are required to take the qualification course assisted by contemporary training and skills development devices (e.g. computer simulators) in line with the Federal norms in the field of industrial safety “General Codes on Explosion Protection for Explosive and Fire Hazardous Chemical, Petrochemical Plants and Oil Refineries”.

Refresher training on normal production tasks involving cyanide is conducted once every six months with examination following the training course to ensure that employees continue to perform their jobs in a safe and environmentally protective manner. Such refresher training is specific to their assigned tasks and addresses cyanide-related safety issues.

Korund-CN JSC has implemented a tracking system to ensure that all employees remain up to date with required training. Within this system, designated responsible persons are appointed to monitor completion of mandatory training activities and to ensure they are carried out within the required timeframes.

In a similar manner, the company also monitors compliance with occupational health requirements by tracking the completion of mandatory medical examinations for all employees on its payroll.

Training elements are documented in the plant operation manuals and working instructions for each job. Korund-CN JSC’s industrial safety training program identifies the specific cyanide management elements that each worker is trained in. Internal training is based on the Standard Operating Procedures (named Technological Process Flowsheet No3 with Amendment No1) which have been translated into the Emergency Response Plan on the basis of the division into blocks/modules.

There are written instructions for the creation of new documents, incorporating changes and superseding the existing documents. Health and safety procedures are developed and amended as required, through the incorporation of staff feedback questionnaires and management meetings.

The training materials, in conjunction with the verbal explanation of the dedicated trainers, give a clear overview about the content that must be understood by the employee to perform their job safely and to react correctly in case of an emergency with respect to self-protection and protection of others.

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The auditors were able to observe the operation of the electronic training system, including the structure of the training materials, the types of learning modules included, and the way in which knowledge assessments are conducted.

Training by external organizations is conducted with involvement of professional trainers, such as medical specialists, safety representatives for training on first-aid topics or emergency response activities. Training by internal engineers requires that all engineers have higher education and specific external safety training. They have worked at the plant for a minimum of 3 years and are required as part of Russian Regulation to take refresher training every 5 years through examination by special committee.

Training and mentoring are provided by the engineering personnel of the cyanide production facilities and is certified in compliance with the procedures established at the Company. Training is carried out by an occupational safety specialist who has a higher technical education and external training at the amount of 256 hours under the program "Occupational safety Specialist" in specialized institution, who has passed certification in the Rostekhnadzor bodies for industrial safety and electrical safety, as well as having a certificate of an instructor in teaching first aid techniques to victims. As of late, the requirement for the senior managers is to undertake training in accordance with the Ministry of Labor of Russian Federation.

Environmental protection engineers and HSE managers receive professional training, retraining and refresher training through internships, seminars, schools and other types of training which is conducted by licensed institutions in the field of environmental protection and industrial safety.

During staff interviews, the auditors reviewed training records for senior personnel required by the Ministry of Labour of the Russian Federation and Rostekhnadzor. The auditors concluded that training at Korund-CN JSC is maintained at a high standard and is in compliance with applicable state regulatory requirements.

Korund-CN JSC evaluates the effectiveness of cyanide training by testing, observation and examinations. Examinations are conducted upon completion of training as part of the knowledge assessment and refresher training process. The examination process is organized by a dedicated committee established through a Company Order. Internally, the certification committee includes engineering personnel, representatives from the HSE Department, HR Department, and Production Department, with chairpersons selected from qualified employees.

Job competence is assessed both formally and informally through examinations and on-the-job task observation. All workers are required to successfully pass the examination before being permitted to work independently without supervision.

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In line with Russian regulatory requirements, training records are maintained in a traceable format for each individual employee, including details such as training subjects, trainers, topics covered, dates, duration, and the method used to verify understanding and effectiveness. Korund-CN JSC evaluates the effectiveness of cyanide-related training through testing mechanisms, including structured questionnaires used during tiered induction training, which are retained as part of the training records.

Repeat induction training is conducted every six months. In addition, new employees are paired with experienced supervisors who provide practical demonstrations and directly observe task performance to ensure proper competency development in the workplace.

Standard of Practice 4.2

Train employees to respond to cyanide exposures and releases.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 4.2

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC is required to train employees to respond to cyanide exposure and releases by law. All personnel working in or around the cyanide production facilities are trained to respond to emergency cyanide release incidents in accordance with planned response specified in the on-site emergency plan.

Korund-CN JSC trains workers to understand the hazards of cyanide through induction and regular training, which includes how to behave in the presence of hazardous chemicals, including cyanide, and follow safety procedures that are in place. Workers also complete induction training to perform their normal production tasks with minimum risk to worker health and safety and in a manner that prevents unplanned cyanide releases. Training is conducted by the heads of departments and shifts as well as involving third parties.

In addition, training of employees is carried out in accordance with the special program in the field of civil defense and emergency prevention approved by the EMERCOM and Instruction on “Emergencies and Elimination of Consequences of Natural Disasters”, approved by the order of the General Director.

Following the regulatory requirements of the Russian Federation, the training process is documented accordingly: records are maintained for each individual employee, contain information about the subject and individual topics of the training, instructor data, date, duration and type of verification

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of the effectiveness of training and the level of assimilation of information received during training.

During the site inspection, the auditors interviewed personnel, including the loader operator at the Cyanide Warehouse, and reviewed their associated training records. The employees demonstrated a good understanding of the required procedures to be followed in the event of a cyanide release, which was consistent with the documented training records.

Mock drills on civil defense and emergency situations are conducted among the personnel of the cyanide production plant at least biannually on the basis of the schedule approved by the company order annually and the Schedule of Drills and Training to Eliminate Possible Accidents at Korund-CN JSC that are agreed with the Main Department of the Ministry on Emergency Situation of the Russian Federation (EMERCOM) in Dzerzhinsk and are approved by the Order of the General Director.

Those mock drills which do not require EMERCOM's involvement also take place on a more regular schedule. Workers are trained on how to respond to cyanide exposure through the induction training process and on-going training. Workers are trained to respond to worker exposure to cyanide and routine drills are used to test and improve their response skills. Drills are conducted regularly, documented and lessons learned are analyzed and taken into account during updates of the training programs.

The risks scenarios are practiced via routine mock drills. These drills are conducted in accordance to the schedule approved by Company Order and the Emergency Response Procedures to make sure the facility takes planned actions during emergencies. The drill results are evaluated and analyzed and used to further enhance the procedures. All results are archived and controlled.

Corrective actions are derived, defined and implemented. The staff of the plant is involved throughout the complete mock drill activities to improve their skills and to optimize their awareness.

Training records are retained for each employee with the entries in a logbook that includes the type of training, trainee name and signature, date of training, and trainer name and signature. A Personal Registration Form is also available, which rests in employee's personal file. Training session schedules and session logbooks are kept and signed by the trainers.

Training records for the employees of the cyanide production facility have been reviewed by the auditors and contained evidence of training including course content, assessments, and certificates. Training records are also maintained for all emergency response personnel and workers who undertake emergency response training.

Training records for the senior managers and departmental directors have also been reviewed and appeared to be in good order.

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Principle 5 | EMERGENCY RESPONSE

Protect communities and the environment through the development of emergency response strategies and capabilities.

Standard of Practice 5.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.1

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC has developed a thorough Emergency Response Plan (ERP) in accordance with the requirements of the Federal Law "On the industrial safety of hazardous production facilities" dated July 21, 1997 No. 116-FZ, as well as the "Regulations on the development of action plans for the localization and elimination of the consequences of accidents at hazardous production facilities" dated September 15, 2020 No. 1437. According to the Russian regulations, operational alarm and emergency response plan is a mandatory document, where different party involvement is considered and relevant parties are informed.

Latest version of the ERP dated 8 December 2022 is currently in force and addresses potential releases of cyanide that may occur on site and considers all relevant and potential failure scenarios that may otherwise require response. Latest reviews of the ERP took place on April 07, 2023 and October 10, 2025 and have been framed as addenda to the main document.

The ERP is approved by the VGSO rescue team, which operates under the Russian EMERCOM, as confirmed by the existing agreement.

The ERP regulates, among other topics, the following:

- Summary of the important responsibilities for emergency cases;
- Actions in case of emergency;
- Measures to prevent or minimize the impacts;
- Co-operation with cyanide squad of the greater Korund Industrial Park organization (not in the scope of the audit) and the local municipal Dzerzhinsk forces (fire brigade, chemical emergency squad, hospital);
- Required resources such as PPE and emergency liquidation equipment;

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- Contact list and call-out procedures;
- Any changes to the project design at the facilities.

The Korund Group has the resources and capabilities to respond to potential emergencies including releases of cyanide at the site. In the event of a major emergency or off-site impact the ERP includes provisions to request assistance from external responders to seek assistance as needed.

The ERP considers specific emergency situations and the appropriate procedures and responses within the facility systems. The scope of the ERP and associated procedures include all potential accidental releases of cyanide and potential failure scenarios such as toxic releases during fire and explosions, depressurization of tanks and pipelines, ruptures of valves or other production equipment, as a result of power outages and equipment failures, overtopping of ponds, tanks and waste treatment facilities. These scenarios are considered appropriate for the site-specific environmental and operating circumstances.

Plan of Actions aimed at Prevention and Liquidation of Emergencies addresses specific response actions, as appropriate for the anticipated emergency situations, such as the following emergency scenarios in addition to the above mentioned 6 scenarios: accidents with the release of hydrogen cyanide and other hazardous chemicals, explosions and fires, transport accidents, collapse of building structures, interruption of energy resources, acts of terrorism emergency situations, including possible external influences of third parties and natural emergencies.

All potential scenarios, their likelihood, the potentially exposed areas are addressed in the ERP. The ERP identifies credible emergency scenarios for catastrophic release of hydrogen cyanide, releases during loading and dissolution operations, during fires and explosions, pipe, valve and tank ruptures, as well as, but not limited to, impacts of power outages, fire, etc.

The ERP also provides detailed descriptions of the chemical substances, their qualities, explosiveness and potential hazards and characteristics of accidents and injuries for each block (12 blocks in total) for the 1st and the 2nd stages of production as follows:

- Block №1 (№1^{1÷1}₁₀, №1^{2÷1}₁₀) Liquid ammonia tank (each tank is a separate block);
- Block №2 (№2¹, №2²) Liquid ammonia pump pos. 112-P02/212-PO2;
- Block №3 (№3¹, №3²) NH₃ receiving station;
- Block №4 (№4¹, №4²) Evaporation of ammonia;
- Block №5 (№5¹, №5²) HCN production;
- Block №6 (№6¹, №6²) NaCN production;
- Block №7 (№7¹, №7²) Off-gas incinerator;
- Block №8 Flare Unit;

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- Block №9 (№9₁¹, №9₂¹) NaOH drain unit;
- Block №10 (№10₁¹, №10₂²) Storage tanks for NaOH solution;
- Block №11 (№11₁¹, №11₂²) NaCN solution containers;
- Block №12 (№12₁¹, №12₂²) Crystallization and filtration of NaCN.

Breakdown of the technological process flowsheet into standalone blocks is made according to the principle of possible disconnection of blocks from each other in case of emergency depressurization of one of them.

The emergency scenarios cover overtopping of tanks and waste treatment facilities, such as the wastewater storage and treatment tanks and/or containments. In case of overtopping of the tanks, the overflows are drained to the designated waste tanks and are further pumped into the decontamination facility (TA 05).

Importantly, as part of the Quality Management System, Korund-CN JSC has developed a procedure, namely "Instruction No 05-15 On Emergency Response Actions of Korund-CN JSC personnel at the wastewater treatment plant" dated 27 December 2022. The procedure describes the actions of both the operations personnel and the emergency services, these actions are similar to the actions indicated in the corresponding column of paragraph 2.11.2 of emergency No. 1 of the Emergency Response Plan for the emergency response and elimination of the consequences of sodium cyanide production accidents (PMLPA).

Thus, the Instruction No 05-15 lists major emergency scenarios and additional measures for their liquidation, these include fire at the TA-05 wastewater treatment plant, equipment depressurization, tanks overflows and others.

Measures to be taken in case of overfilling of a container would first of all entail stopping all the flow of the solution. If one of the tanks (105-B01,02,03) is overfilled, the spills are directed to the pit of the B30 unit, from where they are pumped out by pump 105-P07 into a free container for further treatment.

The ERP describes resources and means required to localize and eliminate the consequences of accidents and requires compliance with the tasks of emergency response and eliminating the consequences. Organization of interaction of forces and means as well as their composition and order of deployment is provided. It contains a procedure for ensuring constant readiness of resources for the emergency response and elimination of the consequences of accidents.

Organization of management, communication and notification in case of an emergency at the facility is provided, including description of the system of mutual exchange of information between PGSF "VGSO" rescue team, LLC "Korund" and JSC "Korund-CN JSC".

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Priority actions upon receipt of an emergency signal and actions of production personnel and emergency services to localize and eliminate accidents are described in detail. Depending on the nature of the anticipated emergency case this might be: activation of shut-down recipes in DCS to control of releases at their source, evacuating site personnel, starting alert chain to involve all relevant internal and external departments and parties; activation of safety interlocking, starting the incineration of the flue gas, filling by inert gases of relevant portions of piping / equipment, planning and performing mitigation activities.

Measures aimed at ensuring safety of the population are available in the ERP. Korund-CN JSC operations stipulate for active protection measures provided for by the Russian legislation on industrial safety of hazardous production facilities:

- Korund-CN JSC is located at a sufficient distance from places of compact residence and mass presence of people to minimize the impact on people under the shock wave in the event of an accident with an explosion during the production of sodium cyanide;
- Korund-CN JSC territory is located the south-east of Dzerzhinsk, on the leeward side for winds prevailing in the area in the directions in relation to residential areas;
- JSC "Korund-CN" organized production control in compliance with industrial safety requirements during the operation of a hazardous production facility;
- industrial safety management system was organized in accordance with the requirements of Federal Law No. 116-FZ;
- Civil liability of Korund-CN JSC to third parties is insured in accordance with the law.

The Company has developed a plan for the evacuation of Korund-CN JSC personnel in natural and man-made emergencies. The Plan defines the procedure for evacuation of personnel in the event of a threat and occurrence of such emergencies. Evacuation of personnel from the accident zone is carried out in any case, only trained and certified rescuers can carry out emergency rescue operations at the accident site and in an environment unsuitable for breathing.

Specific response measures, first aid measures and use of cyanide antidotes, as well as analytical environmental monitoring are described in the emergency liquidation plan. Decision on use of antidotes is made by a paramedic of the 24/7 operating medical center. Specific measures on personnel response actions are presented in modules (according to the potential emergency scenarios).

The ERP describes specific emergency response actions for different situations, including control of any release at source; evacuation of workers and potentially affected communities, use of first aid measures and antidotes, and containment, assessment, mitigation and future prevention of releases.

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Standard of Practice 5.2

Involve site personnel and stakeholders in the planning process.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.2

Summarize the basis for this Finding/Deficiencies Identified:

Korund-CN JSC cyanide production facilities are classified as being Class I Hazard. Because cyanide is classified as a poisonous substance in Russia, cyanide production, storage, transport and handling are strictly regulated by the government, and government involvement in emergency planning is legally required.

The site has involved its workforce and relevant stakeholders in the emergency response planning process. Employee input takes place through the emergency drills debrief meetings which allows workers participating in the drills to make recommendations for improvements of the ERP. Over the period of certification, the mock drills were found to be regularly carried out according to the approved schedules.

Subdivision Managers are involved in the process of development of all emergency response plans. Company staff are involved in the development of the ERP. The HSE manager indicated that the workforce has opportunities to comment on emergency response documentation during regular trainings on their content.

Inputs to the plan were and are coming from different stakeholders, including but not limited to the following:

- Available lead persons, e.g. shift leaders;
- CyPlus as process licence donator;
- EPC as contractor to set-up technical solutions;
- State Safety Inspectorate for occupational health and worker safety;
- Neighboring plants within Korund Industrial Park Site;
- Korund Industrial Park Site Management;
- Korund Industrial Park Site gate guards;
- Korund Industrial Park Site Emergency Service;
- Korund Industrial Park Site fire brigade;
- State (municipal) fire brigade;
- Hospitals;

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- City Administration of Dzerzhinsk;
- State Security Department;
- EMERCOM.

In general, the ERP provides a categorization of each anticipated emergency case in three distinct categories:

- category 1 - emergency case can be handled within Korund-CN JSC technical and organizational boundaries;
- category 2 - emergency case is effective also out of Korund-CN JSC's technical and organizational boundaries but still within Korund Industrial Park Site technical and organizational boundaries, and
- category 3 - emergency case affects the community beyond Korund-CN JSC's and Korund Industrial Park's boundaries.

Depending on the categorization, a respective communication must be performed to all parties involved in emergency response apropos the ERP. Korund-CN JSC reported that category 2 and 3 incidents never occurred since the beginning of operations.

In addition to the ERP for the localization and elimination of the consequences of accidents, the company has an Action Plan for the prevention and elimination of natural and man-made emergencies, which is coordinated with the Department for Public Safety and mobilization training of the Administration of Dzerzhinsk. This plan was agreed with local authorities on 10.03.2022 and reflects possible scenarios with the release of cyanides.

Also, a mock drill is held once in 3 years with the presence of representatives of Rostekhnadzor and the Ministry of Emergency Situations of Dzerzhinsk.

Governing authorities of the Region, the City of Dzerzhinsk, Dzerzhinsky district, and enterprises and organizations located in the Korund Industrial Zone are made aware of the nature of the risks. The ERP contains a list of the industrial neighbors which may be affected in case of cyanide release or similar accidents. Their activities, addresses, contact details and contact names are provided.

In the event of a threat or occurrence of an accident, senior dispatcher of the control room notifies the specified parties via the local notification network. The company conducts regular joint drills with city emergency services to check the compliance of communication and emergency response measures.

During operations, Korund-CN JSC performs necessary active protection measures provided for by the current legislation on industrial safety of hazardous production facilities:

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- Korund-CN JSC is located at a sufficient distance from places of compact residence and mass stay of people to minimize the impact of people under the shock wave in the event of an accident with an explosion at the production facilities;
- Territory of Korund-CN JSC is located the south-east of the city of Dzerzhinsk, on the leeward side for winds prevailing for the area in directions in relation to residential areas;
- Korund-CN JSC organized production control to ensure compliance with industrial safety requirements during its operations;
- Industrial safety management system has been organized in accordance with the requirements of Federal Law No. 116-FZ;
- Suggestion box is available at the checkpoint of the Company for the residents who have suggestions or grievances.

In addition, local communities may address their concerns via contacting the state authorities.

Korund-CN JSC has identified relevant external entities with defined emergency response roles and has integrated them into the cyanide emergency response planning process. The Paramilitary Gas Rescue Squad of LLC Korund is actively involved in the development of all emergency response plans and associated measures.

Medical support is provided in every case as required, with a dedicated on-site medical center that is fully engaged in emergency response planning, preparedness activities, and training exercises. In addition, the site has involved local response agencies, including external responders and medical facilities, in the emergency planning and response framework where applicable.

It is also noted that no additional local response agency support is required, as all necessary resources, capabilities, and expertise for emergency response are available within Korund-CN JSC and the broader Korund Industrial Park organizations.

Korund-CN JSC regularly consults and communicates with relevant stakeholders to ensure that the ERP reflects current conditions and potential risks. Communication activities with interested parties and stakeholders are carried out to ensure that all relevant information and updates related to the validity and effectiveness of the emergency response plans are properly addressed.

Prior to the commissioning the operations, stakeholder consultations have been held by Korund-CN JSC which addressed any concerns or suggestions that the communities may have had.

One of the key measures is the integration of relevant external parties into the controlled document management process, particularly for the ERP, to ensure the timely exchange of accurate and up-to-date information between all stakeholders.

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The ERP, including any amendments and periodic reviews, is approved by VGSO, the emergency rescue team operating under the Russian EMERCOM.

Standard of Practice 5.3

Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.3

Summarize the basis for this Finding/Deficiencies Identified:

The operative part of the ERP on localization and liquidation of emergencies at the cyanide production and degasification area specifies the responsible parties and the emergency response procedures they are to abide by.

a) Designation of primary and alternate emergency response coordinators with explicit authority to commit the resources necessary to implement the Plan.

The ERP is the core document that describes the relevant activities in case of any incidents. Part of this document defines roles and responsibilities and descriptions of certain functions such as security personnel, fire-brigade, medical service, 24-hours-standby duty service team and the Paramilitary Gas Rescue Squad. The plan defines the responsible managers of the liquidation of the accident. The responsible head of the work on the elimination of the accident is the head of production, before his arrival, the shift supervisor. The specific members of these teams are named, listed and kept up to date. The responsible coordinators and functional leaders are also defined, e.g., Korund-CN JSC site General Director, his deputies, the emergency response coordinator. Responsibility for the emergency preparedness of designated personnel lies with the management of LLC "Korund" PASF VGSO (Professional Emergency Rescue Formation of the Paramilitary Mine Rescue Unit) whose liability is determined by contractual obligations. JSC Korund-CN JSC and "Korund" LLC's PASF VGSO signed an agreement No. 731-64-17/KC.105.17 "On the provision of services for the implementation of rescue operations and the prevention of fire and gas incidents" dated 01/09/2017.

b) Identification of Emergency Response Teams

The ERP describes specific duties and responsibilities of the coordinators and team members depending on the nature of an emergency. The ERP calls for the designation of personnel to fill the roles of Emergency Response Coordinator, identifies the emergency response team, defines training needs, includes call-out procedures and 24-hour contact information for the Emergency Response

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Coordinator and response team members, and specifies their duties.

In an emergency situation, the response is carried out primarily by the shift personnel, in particular by the remote control operators who conduct the technological process around the clock. Emergency response services include: the Paramilitary Gas Rescue Squad of Korund LLC, the emergency rescue unit of Korund-CN JSC, the paramedic on the ambulance of the medical center.

c) Requires appropriate training for emergency responders;

Korund-CN JSC conducts monthly training sessions to develop practical skills for the interaction of all units in case of a threat and occurrence of emergencies, according to the approved schedule of training sessions.

Training sessions are also held in all shifts according to the approved schedules.

The ERP training is conducted in the course of emergency drills for every block and scenario for every shift, including all specialized response services being called.

d) Definition of call-out procedures and 24-hour contact information for the coordinators and response team members

The ERP specifies procedures for calling emergency services. The facility also has a monitoring system for engineering systems that transmits critical values of process parameters to the unified dispatch service of the city of Dzerzhinsk.

A full list of all internal and external persons and parties relevant during emergency responding is available in the ERP (Section 16). Their respective functions, phone numbers / cell phone numbers / private phone numbers / speed dial numbers are provided.

e) Specification of duties and responsibilities of the coordinators and team members

For each emergency scenario, the ERP specifies the specific actions of shift personnel and officials (calling emergency services, turning on/off one specified pieces of equipment).

Duties and responsibilities of the coordinators and team members are clearly described in the ERP risk assessments for each unit of equipment and each emergency case. In the risk assessment tables the column "Responsible person" and "the order of their actions" explains in great detail the algorithm of actions that need to be performed during an emergency.

f) Lists all emergency response equipment that should be available;

The Paramilitary Gas Rescue Squad of Korund has all of the necessary emergency equipment, which is described in the ERP. Paramilitary Gas Rescue Squad of Korund is equipped with mobile vehicles

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and equipment, spill clean-up materials, first aid equipment and gas detection monitors. In addition, all of the departments have appropriate first aid equipment, oxygen, etc. and this is also present on the first aid room outside HCN production. A detailed list of technical equipment for the respective action types (e.g. fire extinguishing action, accident remedy action, etc.) is specified in the Fire Risk Assessment and in the Documentation for Fire Extinguishing.

As an example, in case of an emergency with hydrocyanic acid (HCN) - a gas mask with a filter box of A3B3E2K2P3D type will be used. During gas hazardous work - a gas mask with a hose of PSh-1, PSh-2 type. In case of accidental release of sodium hydroxide - overalls, safety shoes, rubber boots and gloves, goggles, gas mask with A3B3E2K2R3D filter box will be used. Emergency scenarios involving sodium cyanide - specific overalls and footwear, gas mask with A3B3E2K2P3D filter box or in case of very high concentrations – self-contained gas masks.

g) Includes procedures to inspect emergency response equipment and assure its availability when required.

The list of emergency response equipment is developed and is described in the ERP. The ERP lists all emergency response equipment that should be available at all times and includes procedures to inspect emergency response equipment and assure its availability.

Emergency Response Equipment is routinely inspected and maintained. External support from the licensed contractor is provided for maintenance check of the oxygen and resuscitation equipment. Maintenance results are registered in the following logbooks:

- Logbook for exercises in the gas chamber;
- Logbook for inspections of protective suits;
- Logbook for inspections of compressed air breathing apparatus;
- Logbook of filling of cylinders with air;
- Logbook for inspections of respiratory apparatus;
- Logbook of classes, attendance and academic performance in the system of training of shift workers;
- Logbook for inspections of gas rescue equipment.

Inspection records have been observed and appeared to be in order.

h) Describes the role of outside responders, medical facilities or communities in emergency response procedures

As described above in section 5.2 no outside responders are engaged in Korund-CN JSC's ERP. No local response agency is required, because all the necessary resources and skills to perform emergency response are available within the Korund-CN JSC and the Korund Industrial Park

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organizations.

Korund-CN JSC operates 24/7 medical center whose staff are involved in every emergency case to deliver first aid and other medical assistance that may be required. The role of communities is defined in the ERP specific risk assessment tables. The most important role and duty of the relevant communities is to inform and to be informed.

The ERP also describes the role of outside responders, medical facilities and communities in emergency response procedures.

This requirement was verified through discussion with Company staff responsible for preparedness to emergency situations and review of corresponding emergency response plans, as well as documentation of mock drills indicating various parties that participated in the drills.

Korund-CN JSC developed the ERP with input from third-party organizations involved in the localization and mitigation of emergency situations, as well as the facility security service, fire brigade, and gas rescue squad. A mock drill schedule for all facility areas is prepared annually and formally approved through a Management Order of the Company.

The auditors reviewed the approved Emergency Mock Drill Schedule for 2026 and confirmed that it includes emergency scenarios defined in the ERP. The schedule is distributed to all facility areas and relevant external parties, including the facility security service, fire brigade, gas rescue squad, and medical service. The Korund LLC fire brigade, acting as an external partner, actively participates in mock drills, training sessions, and consultations regarding the ERP content.

External entities are incorporated into the ERP through the Regional Authority responsible for developing the External Emergency Plan for the City of Dzerzhinsk. Korund-CN JSC ensures that all external organizations included in the plan are aware of their responsibilities and participate, where necessary, in mock drills and implementation exercises. Records from several recent mock drills were reviewed and demonstrated that formal follow-up actions, improvements, and training activities are properly implemented.

Training requirements are defined within the emergency response plans, and formal training is provided to all personnel involved in cyanide production and handling activities. Contact information, including telephone numbers, addresses, and designated contact persons for both internal and external stakeholders — such as authorities, police, neighboring companies, public institutions, transport companies, hospitals, medical support providers, and media representatives — is maintained and regularly updated.

Korund-CN JSC further confirmed that all external entities included in the ERP are informed of their roles and are involved, as appropriate, in emergency drills and implementation exercises.

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Standard of Practice 5.4

Develop procedures for internal and external emergency notification and reporting.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.4

Summarize the basis for this Finding/Deficiencies Identified:

The ERP includes procedures and contact information for notifying management, regulatory agencies, outside response providers and medical facilities of an emergency. If external medical support or follow-up care is required, medical facilities and care are available at Dzerzhinsk City hospitals.

In addition, if a cyanide emergency constitutes a “significant cyanide incident” that requires notification to the International Cyanide Management Institute, Korund-CN JSC undertakes to provide such notification in a timely manner, as instructed in the Management Order dated 29 December 2022.

The ERP includes procedures and contact information for notifying potentially affected communities of the incident and/or any response measures, and procedures for communication with the media.

In case of emergency threat or its occurrence, a dispatcher of the control room notifies enterprises and organizations within Korund Industrial Park and other facilities around the site using the means of local alerting network. Local Civil Defense and Emergency Situations Authorities are notified using point-to-point communication. The Production Dispatcher (personnel work in shifts covering 24-hours) has a list of contacts for immediate notification, which is regularly updated.

Any cyanide emergency that constitutes a “significant cyanide incident” that requires notification to the International Cyanide Management Institute has never occurred at the Korund-CN JSC site since the start of its operations.

To ensure compliance with ICMI standards, Korund-CN JSC has developed and implemented an internal procedure requiring notification of ICMI should any significant cyanide incidents occur. The procedure constitutes Management Order which was witnessed by the auditors.

Standard of Practice 5.5

Incorporate remediation measures and monitoring elements into response plans and account for

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the additional hazards of using cyanide treatment chemicals.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.5

Summarize the basis for this Finding/Deficiencies Identified:

The ERP incorporates appropriate specific remediation measures and monitoring requirements associated with the use of cyanide treatment chemicals.

Korund-CN JSC plant is designed and constructed in such a way as to be completely separated from any surface water to avoid possible contamination. The only connection to outside facilities is the wastewater buffer tanks, whose content is released into Korund Industrial Park system when the wastewater is analytically qualified and meets the specification for wastewater. The use of hydrogen peroxide is only allowed in chemical detoxification wastewater treatment plant for the specific defined detox processes. It is not allowed to use this chemical in case of cyanide spill in storm water area or equivalent.

Processes related to remediation measures are integrated in the Production Standard Operating Procedures (SOPs) for the specific scenario defined for the routine production activities and the remediation measures are defined in detail in the operational alarm and emergency response plan.

The remediation measures / activities are accompanied by the analytical lab and, in case of a spillage, by the Korund Industrial Park Site fire brigade. If necessary, specific activities will be realized in relation to the mitigation of the environmental impacts. Emergency spill clean-up measures and personnel actions for every particular scenario are divided into blocks. Post emergency activities are described including removal of contamination, disposal to appropriate approved facilities; use of decontamination chemicals, monitoring requirements/methods and provision of alternative drinking water where necessary.

The use of chemicals is regulated in the procedures, treatment of cyanide that has been released into surface water is prohibited with hydrogen peroxide, sodium hypochlorite and ferrous sulphate. Composition of a 10% ferrous sulphate solution and 20% sodium hydroxide (2:1) may be used for treatment of contaminated areas of soil in case of an emergency, as stipulated in the Safety Passport for the Chemical Product Sodium Cyanide (MSDS).

Should negative environmental impacts occur as a result of cyanide-related accidents, monitoring instruments, methods, parameters and locations have to be identified during the response activities to assess the current situation and to apply an appropriate action plan for remediation activities.

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No cases of spillages, debris handling, recovery and alike have occurred, since the beginning of operation, according to Korund-CN JSC management.

Company procedure, namely Instruction No 05-19P dated 07 March 2023 explicitly prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water or near the waterbodies.

Korund-CN JSC has implemented measures that make the potential release of cyanides into surface water extremely unlikely. These measures include the provision of secondary containment systems and dedicated wastewater collection reservoirs designed to capture cyanide-containing releases. Collected wastewater is subsequently treated at the on-site cyanide production treatment facilities through neutralization with hydrogen peroxide, reducing the cyanide concentration to less than 0.0001% by weight. Following local treatment, the wastewater is discharged to the treatment facilities of the Korund Industrial Park for additional processing.

Interviews conducted on-site with Korund-CN JSC personnel confirmed a clear understanding of the general prohibition against the use of chemicals such as hydrogen peroxide, ferrous sulphate, or sodium hypochlorite for cyanide treatment in the vicinity of surface waters.

The emergency response documentation outlines provisions for environmental monitoring to determine the extent and impact of any potential release, including defined sampling methods, analytical parameters, and, where applicable, designated sampling locations.

To prevent elevated concentrations of cyanide ions reaching the wastewater treatment system, Korund-CN JSC has established a wastewater preventive monitoring system. Wastewater sampling is performed continuously, with laboratory analyses conducted once per shift. A titrator transmits results online to the control system to ensure real-time oversight of process conditions.

In the event of an emergency, the system is designed to divert wastewater into dedicated reservoirs for subsequent two-stage treatment. Additional monitoring of pollutant releases is carried out in accordance with the ERP. To delineate potential contamination zones, Korund-CN JSC engages an accredited laboratory under an agreement with Korund LLC, with analytical results reported directly to the facility operator.

Further wastewater sampling is conducted at observation wells prior to discharge for final treatment. All releases from the cyanide production facility are kept separate from the stormwater drainage system and are treated with hydrogen peroxide before being discharged into the industrial sewer system for additional treatment.

Procedures for cyanide spill sampling (both liquid and solid) and the corresponding analytical methods are defined in laboratory safety instruction No. 06-02.

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Standard of Practice 5.6

Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is ☒ in full compliance with ☐ in substantial compliance with ☐ not in compliance with Standard of Practice 5.6

Summarize the basis for this Finding/Deficiencies Identified:

The Korund-CN JSC ERP and emergency response procedures contain provisions for periodical review and evaluation of their adequacy. Korund-CN JSC ERP is valid for 5 years and is reviewed as necessary.

The routine and the non-routine process for review of the different ER procedures is described in these procedures and associated procedures existing at the site.

Thus, the ERP is subject to revisions as follows:

- a) at least 15 calendar days prior to its expiration date;
- b) not later than 30 calendar days after:
 - reconstruction, technical re-equipment of the facility or changes in production technology;
 - changes to the process control systems at the facility;
 - changes in the information contained in the general or special sections of the action plan;
- c) on the basis of the conclusions specified in the act of technical investigation of the causes of accidents at the facility;
- d) by order of the federal executive body in the field of industrial safety or its territorial body in the event of a discrepancy between the information contained in the action plan and the information obtained in the course of federal state supervision in the field of industrial safety;
- e) on the basis of a warning from the federal executive body in the field of industrial safety or its territorial body about the inadmissibility of violating the mandatory requirements of industrial safety in the event that these bodies identify new risk factors based on the results of a technical investigation of the causes of accidents at other similar facilities.

Current ERP has been duly reviewed following the expansion of the detoxification unit with relevant amendments issued and implemented (Amendment of September 2023).

Mock emergency drills are conducted periodically to evaluate the operation's emergency response

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plans, training programs, resources, and overall preparedness for responding to cyanide releases and worker exposure incidents. These drills are designed to test response procedures for a variety of emergency scenarios, including hazardous chemical releases, explosions, fires, and personnel exposure or injury incidents.

In addition, the rescue team conducts dedicated mock drills to assess emergency response capabilities related to cyanide releases and personnel exposure to hazardous chemicals. These exercises are intended to verify the effectiveness of response procedures, emergency equipment, and on-site first aid capabilities. Drill reports document lessons learned and any identified deficiencies in the response activities, and photographs are included as supporting records.

A comprehensive annual “general drill” is organized involving the entire plant and relevant external entities. Further mock emergency drills are scheduled throughout the year, each focusing on specific accident scenarios. Drills are repeated across work crews to ensure coverage of all operational shifts.

During the certification period, intensive and routinely conducted emergency drills were carried out with the participation of all relevant stakeholders described in previous sections of this report. Review of the drill results did not indicate a need to revise the ERP itself; however, decisions were made to expand the delivery of certain emergency response training materials within specific organizational services.

Drill outcomes are formally evaluated and analyzed, and the results are used to further improve emergency response procedures. All records are archived, controlled, and revisited when necessary. Records of selected drills conducted at the cyanide production facility were reviewed and confirmed that the exercises tested emergency response to hazardous chemical releases, worker exposure, and injury scenarios. These drills included participation by third-party responders, accident scene investigations, identification of injured personnel, provision of first aid, and other emergency response activities. The annual drill schedule and signed drill records are maintained in the control room, while original signed documentation is retained by the industrial safety department and the rescue team.

During the site visit conducted by the auditors on April 28, 2026, a mock drill was performed at the detoxification unit using a scenario involving depressurization of a sodium cyanide (NaCN) tank resulting in NaCN solution poisoning of a worker (Figure 4 below). The emergency response brigade, consisting of both internal and external emergency response and rescue personnel, demonstrated a clear understanding of the actions required for this type of emergency. The team included the Korund-CN’s shift manager, paramedics, fire brigade personnel, the VGSO rescue team, and an inspector from Rostekhnadzor.

All participants wore appropriate PPE and used the necessary emergency equipment and machinery to contain and mitigate the incident. The loudspeaker and alarm systems were activated to warn all

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personnel at Korund-CN JSC of the emergency situation. The rescue team responded promptly and demonstrated effective coordination during the exercise.



Figure 4: Cyanide Emergency Drill at Korund-CN Property (April 28, 2026)

Following completion of the drill, the response team held a debriefing session to discuss both effective response actions and areas requiring improvement. The resulting drill records were subsequently issued and presented to the auditors for review. The auditors also reviewed records from mock drills conducted throughout the three-year audit cycle, found them to be in good order, and provided recommendations where appropriate.

Korund-CN JSC incorporates the review of findings and room-for-improvement analyses into a systematic evaluation process for emergency response actions and mock drills. This process supports the continuous improvement of safety and security performance across the facility.

The Emergency Response Plan is reviewed periodically, typically every two to five years. Current ERP

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was reviewed and approved by the Company management on December 8, 2022. Subsequent reviews were conducted on September 21, 2023, and September 13, 2024, with the relevant amendments formally issued and implemented.

In addition, Korund-CN develops and approves an annual Emergency Mock Drill Plan, which serves as the framework for conducting ERP-related emergency exercises across all operational shifts.

The Company has successfully passed all inspections and audits conducted by regulatory authorities, including the Federal Security Service (FSB). These results demonstrate the high level of emergency preparedness of Korund-CN personnel and the strong operational standards maintained at the facility.

Based on the findings of this Recertification Audit, Korund-CN JSC's cyanide production operations continue to demonstrate full compliance with the International Cyanide Management Code (ICMC) for Cyanide Production. The audit confirmed that the operation has effectively implemented and maintained the management systems, operational controls, monitoring programs, training processes, emergency preparedness measures, and continuous improvement practices necessary to meet the requirements of all five Principles and their associated Standards of Practice. Accordingly, Korund-CN JSC is considered to be in full compliance with the International Cyanide Management Code and remains eligible for recertification.