

INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Cyanide Transportation Summary Audit Report

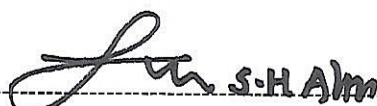
***For the
International Cyanide Management Code***

**Hyosung TNC Corporation
Russia Federation and CIS Supply Chain**

19 July 2022

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Transportation Summary Audit Report

Operation General Information

Name Transport Operation : Hyosung TNC Corporation Russia Federation and CIS Supply Chain
Name of Facility Owner : Hyosung TNC Corporation
Name of Facility Operator : Hyosung TNC Corporation
Name of Responsible Manager : KwangJin Kim / Concentrate & Mining Materials Team Leader
DongHeop Ro / Concentrate & Mining Materials Team Assistant Manager
Address : 235 Banpo-Daero, Seocho-Gu
State / Province : Seoul
Country : Republic of Korea
Telephone : 82-2-707-8576
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Operation Location Detail and Description

The head office of Hyosung TNC Corporation is located in Seoul, Korea. In Hyosung TNC Corporation, there are several business divisions as trading, heavy machinery, textile, chemistry and construction. Related to supplying the sodium cyanide, the main jobs of Concentrate & Mining Materials Team in Trading Business Division are making agreement with mining companies, receiving customer orders, review of customer orders and arrangement of shipping. Those were conducted by Concentrate & Mining Materials Team in Trading Business Division of Hyosung TNC Corporation.

Hyosung TNC Corporation applied ICMC signatory for Russia Federation and CIS Supply Chain in which the transportation of sodium cyanide from manufacturer in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation were included. Hyosung TNC Corporation make supplying contracts with customers under CIF condition. According to the CIF condition, Hyosung TNC Corporation is responsible for supplying sodium cyanide from manufacture in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation. The customs clearance and transportation from those ports to gold mining sites in Russia Federation were controlled and implemented by customers. So the road transportation from Vostochny, Magadan and St. Petersburg Ports to gold mining sites in Russia Federation is excluded in Russia Federation and CIS Supply Chain.

Solid briquette form sodium cyanide was packaged in polyethylene inner film & woven bag and transported in containers. They have used three types of containers as 20 feet standard container, 40 feet standard container and 40 feet high cubic container for the transportation of sodium cyanide.

The roadway transportation company, rail center, railroad transportation, ports and shipping companies were included in Russia Federation and CIS Supply Chain. The segments in Russia Federation and CIS Supply Chain were as below.

- 1) Sodium cyanide manufacture : TongSuh Petrochemical Co., Ltd. Ulsan Plant in Korea
- 2) Roadway transportation from manufacture to Ulsan Rail Center : By SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.

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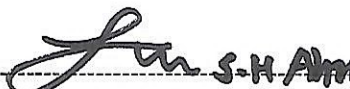
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- 3) Railroad transportation by train from Ulsan Rail Center to Pusan New Port : By Korea Railroad Corporation
- 4) Marine transportation from Pusan New Port in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation : FESCO, HMM, Maersk and Hapag Lloyd

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Auditor's Finding

This operation is

X in full compliance
in substantial compliance
not in compliance

with the International Cyanide Management Code.

Auditor Information

Audit Company : 3Points Co., Ltd.
Lead Auditor : Mr. SangHo Ahn
Lead Auditor E-mail : triplepoint@naver.com
Dates of Audit : 23, 24 and 29 June 2022

Names and Signature of Other Auditor:

Auditor 1: BongWon Kim / Trainee
Name (Print/Type)


Signature

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 Code Certification 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 Transportation Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

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Principles and Standards of Practice

Principle 1 | TRANSPORT

Transport cyanide in a manner that minimizes the potential for accidents and releases.

Standard of Practice 1.1

Select cyanide transport routes to minimize the potential for accidents and releases.

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

Since 2012, Hyosung TNC Corporation have implemented supply chain control procedure in which detail process for selection of sodium cyanide transportation routes and control methods were defined. According to the procedure, when they select the sodium cyanide transportation routes they shall consider safety, population density, infrastructure, pitch, grade, prevalence and proximity of water and fog, security and cost effectiveness. During March 2022, they evaluated the routes for such items as availability, security, transportation quantity and cost and then finally decided the transportation routes as below.

- 1) From sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant to Ulsan Rail Center : Roadway transportation by truck
- 2) Ulsan Rail Center to Pusan New Port in Korea : Railroad transportation by train
- 3) Pusan New Port in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation : Marine transportation by ship

The subcontractor evaluation process was defined in supply chain control procedure. Such items as ICMC signatory or environment and safety system certification, history of accident, compliance of target delivery, cost and cooperation etc. were evaluated for sodium cyanide manufacture, roadway transporters, rail transportation company and shipping companies. According to the procedure, they evaluated and chose sodium cyanide manufacture, roadway transporters and shipping companies as below.

- 1) Sodium cyanide manufacture : Tongsuh Petrochemical Co., Ltd. Ulsan Plant
- 2) Roadway transportation from cyanide manufacture to Pusan New Port in Korea : SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.
 - SAM IK LOGISTICS Co., Ltd. was certified in full compliance under the Cyanide Code on March 26 2020 and previously certified in December 2010.
 - Bukwang Logistics Co., Ltd. was certified in full compliance under the Cyanide Code on April 01 2022
- 3) Railroad transportation from Ulsan Rail Center to Pusan New Port : Korea Railroad Corporation
- 4) Marine transportation from Pusan New Port to Vostochny, Magadan and St. Petersburg Ports in Russia Federation : FESCO, HMM, Maersk and Hapag-Lloyd

Hyosung TNC Corporation decided the control methods for each segment in Russia Federation and CIS Supply Chain as below.

- 1) Road transportation companies in Korea (SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.)
 - (1) Periodic supplier evaluation by Hyosung TNC Corporation
 - (2) Implementation and certification of ICMC by SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.
- 2) Control of storage, loading and unloading in Ulsan Rail Center (SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. and Korea Railroad Corporation)

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- (1) Periodic supplier evaluation for SAM IK Logistics Co., Ltd. and Bukwang Logistics Co., Ltd. by TongSuh Petrochemical Co., Ltd and Hyosung TNC Corporation
- (2) Implementation and certification of ICMC by SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.
- (3) Periodic due diligence investigation for Korea Railroad Corporation by Hyosung TNC Corporation
- 3) Railroad transportation company in Korea (Korea Railroad Corporation)
 - (1) Periodic route evaluation by Hyosung TNC Corporation
 - (2) Periodic due diligence investigation by Hyosung TNC Corporation
- 4) Pusan New Port in Korea
 - (1) Periodic route evaluation by Hyosung TNC Corporation
 - (2) Periodic due diligence investigation by Hyosung TNC Corporation
- 5) Marine transportation by shipping companies (FESCO, HMM, Maersk and Hapag-Lloyd)
 - (1) Periodic route evaluation by Hyosung TNC Corporation
 - (2) Periodic due diligence investigation by Hyosung TNC Corporation
- 6) Vostochny, Magadan and St. Petersburg Ports in Russia Federation
 - (1) Periodic route evaluation by Hyosung TNC Corporation
 - (2) Periodic due diligence investigation by Hyosung TNC Corporation

Hyosung TNC Corporation have maintained risk assessment and high risk control procedure in which hazard identification in sodium cyanide supply chain, risk assessment for identified hazards and high risk control were defined. According to the procedure, during March 2022, Hyosung TNC Corporation have identified hazards and evaluated again the risks in Russia Federation and CIS Supply Chain. Below high risks were identified.

- 1) Release of sodium cyanide powder to road, land and surface water during roadway transportation and railroad transportation by transporter.
- 2) Damage to sodium cyanide container and human contact during loading and unloading works.
- 3) Release to sea water during marine transportation by shipping companies
- 4) Robbery during road transportation, storage in ports and marine transportation.

According to supply chain control procedure, Hyosung TNC Corporation should reevaluate the overall routes of Russia Federation and CIS Supply Chain every year periodically. And if there are some changes related to routes, transporter, facilities and relevant legal requirements, they will reevaluate the routes non-periodically. According to the procedure, they completed the reevaluation for the routes of Russia Federation and CIS Supply Chain during March 2022.

The process for getting feedback on route condition from each segment in Russia Federation and CIS Supply Chain was defined in supply chain control procedure. According to the supply chain control procedure, Hyosung TNC Corporation have received and reviewed information related to cyanide transportation routes from sodium cyanide manufacture, roadway and railroad transporters, shipping companies, ports and relevant interested parties. Since April 2020 when they registered ICMC signatory, there were some issues related to increase of ship transportation fare and delay of delivery due to COVID 19, no special issue related to safety and environment.

Hyosung TNC Corporation documented the control measures to address the high risks in Russia Federation and CIS Supply Chain. They prepared and implemented the control measures such as supplier evaluation, check the certification of ICMC by roadway transporter, due diligence investigation for railroad transportation, ports and shipping companies. And they established and maintained emergency response plan for sodium cyanide release and robbery. The communication channel with government body, safety agency, police, manufacture and transporters was defined and revised in emergency response plan.

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When Hyosung TNC Corporation selected the transportation route of Russia Federation and CIS Supply Chain and developed the control measures for high risks, they considered and reflected the comments from governmental agencies, communities and stakeholders such as Ulsan government office, Busan local government office, Korea Occupational Health and Safety Agency, local fire fighting agency, sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant, road transporter SAMIK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd., Korea Railroad Corporation, shipping companies, Good Morning Hospital and DongKang Medical Center.

During March 2022, Hyosung TNC Corporation reviewed again the overall route for Russia Federation and CIS Supply Chain. According to the review results, they decide that convoys and escorts are unnecessary from sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation as sodium cyanide production and road transportation by ICMC certified companies and implementation of Dangerous Goods Code of the International Maritime Organization (herein after IMO DG code) by big shipping companies.

Hyosung TNC Corporation do not contract any other entities to conduct activities required in Standard Transport Practice 1.1. Hyosung TNC Corporation communicated the emergency response plan, their sodium cyanide transportation and storage procedure and material safety data sheet to manufacture, roadway transporters, railroad transportation company, ports and shipping companies and requested awareness and implementation. As consigner Hyosung TNC Corporation have used subcontractors registered as ICMC signatories and certification completed if possible. So they chose ICMC certified subcontractors such as sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant, transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.

Transport Practice 1.2

Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

The operation is	X in full compliance with in substantial compliance not in compliance with	Standard of Practice 1.2
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According to supply chain control procedure prepared by Hyosung TNC Corporation, they evaluated again subcontractors during March 2022. During the subcontractor evaluation, they checked and confirmed that sodium cyanide transporters have used only trained, qualified and licensed drivers and operators. And also the transporters are ICMC signatory and certified. Hyosung TNC Corporation have prepared and communicated sodium cyanide transportation and storage procedure, material safety data sheet and emergency response plan to manufacture, transporters, ports and shipping companies to use for training, daily operation and emergency situation.

Transport Practice 1.3

Ensure that transport equipment is suitable for the cyanide shipment.

The operation is	X in full compliance with in substantial compliance not in compliance with	Standard of Practice 1.3
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According to supply chain control procedure, Hyosung TNC Corporation evaluated subcontractors

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again during March 2022. During the subcontractor evaluation, they checked and confirmed that sodium cyanide transporters have used only equipment designed and maintained to operate within the designed capacity. During the due diligence investigation, they checked and confirmed that the ports and shipping companies have used suitable equipment. And also Hyosung TNC Corporation confirmed that transporters, ports and shipping companies have preventive maintenance procedure to control the transport equipment and verify the adequacy of transport equipment. And container itself designated to prevent overloading.

Transport Practice 1.4

Develop and implement a safety program for transport of cyanide.

The operation is	X in full compliance with in substantial compliance not in compliance with	Standard of Practice 1.4
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As Hyosung TNC Corporation is a trading company, they do not actually need the detail safety program for transportation of sodium cyanide. During the subcontractor evaluation and due diligence investigation, they checked and confirmed that sodium cyanide transporters, ports and shipping companies developed and implemented the safety program. As a consigner, they requested to transporters for the compliance of local regulation, international standards and safety program. If the transporter violate the local regulation and international standards, they are not able to be registered as approved subcontractors to Hyosung TNC Corporation.

Transport Practice 1.5

Follow international standards for transportation of cyanide by sea.

The operation is	X in full compliance with in substantial compliance not in compliance with	Standard of Practice 1.5
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As Hyosung TNC Corporation is trading company, they do not actually perform the transportation of cyanide by sea. They evaluated shipping companies according to supply chain control procedure. They have evaluated for items as compliance with IMO DG Code, legal requirements and international standards, accident cases during marine transportation, compliance of target delivery and cost of transportation. Considering the evaluation results, they selected FESCO, HMM, Maersk and Hapag-Lloyd as shipping companies for sodium cyanide transportation from Pusan New Port in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation. Hyosung TNC Corporation completed the due diligence investigation during December 2021 to March 2022 for the shipping companies. According to the due diligence investigation, Hyosung TNC Corporation confirmed that shipping companies were comply with IMO DG Code.

Transport Practice 1.6

Track cyanide shipments to prevent losses during transport.

The operation is	X in full compliance with in substantial compliance not in compliance with	Standard of Practice 1.6
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Hyosung TNC Corporation is trading company, so they do not actually perform the transportation of cyanide. During the subcontractor evaluation, they checked and confirmed that the sodium cyanide transportation vehicles have pager, mobile phone and communication channel sheet in which telephone numbers of transportation company, the manufacture and emergency responders defined. And also during the subcontractor evaluation, they checked and confirmed that the transporters have tested periodically the communication equipment.

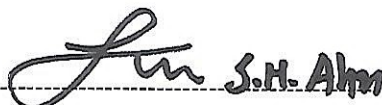
Hyosung TNC Corporation checked the overall routes of Russia Federation and CIS Supply Chain and found no blackout area. And they requested to transporters and shipping companies to identify blackout area and procedure to control the blackout area. Until now they have not received any identified blackout area from transporter and shipping companies.

Hyosung TNC Corporation have procedure to track the progress of cyanide shipments. And if needed, they tracked the progress of cyanide shipments by contact with sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant, transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. and communication with shipping companies FESCO, HMM, Maersk and Hapag-Lloyd. And also during the subcontractor evaluation, they checked and evaluated the tracking of cyanide shipments by transporters.

When Hyosung TNC Corporation receive purchasing orders from customers as gold mining company, they review the target delivery and quantity and input the orders in computer network system. They requested to sodium cyanide manufacture TongSuh Petrochemical Co., Ltd. Ulsan Plant to dispatch the amount of sodium cyanide and nominate the shipping companies. The individual customer order including target delivery and amount, dispatched date and quantity of sodium cyanide from manufacture to shipping companies were registered in computer network system of Hyosung TNC Corporation. And also the progress of marine transportation by shipping companies can be checked for individual customer orders by communication with shipping companies FESCO, HMM, Maersk and Hapag-Lloyd. So the inventory control and custody documentation were properly implemented to prevent loss of sodium cyanide during transportation. According to the subcontractor evaluation results, the road transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. and shipping companies FESCO, HMM, Maersk and Hapag-Lloyd controlled the Material Safety Data Sheet properly.

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Principle 2 | INTERIM STORAGE

Design, construct and operate cyanide interim storage sites to prevent releases and exposures.

Transport Practice 2.1

Store cyanide in a manner that minimizes the potential for accidental releases.

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

Hyosung TNC Corporation checked over all routes of Russia Federation and CIS Supply Chain and identified interim storage areas as below.

- 1) Ulsan Rail Center in Korea
- 2) Pusan New Port in Korea
- 3) Vostochny, Magadan and St. Petersburg Ports in Russia Federation

The Ulsan Rail Center is managed by Korea Railroad Corporation one of the government subsidiary company in Korea. So Hyosung TNC Corporation have conducted the due diligence investigation for the Ulsan Rail Center during January 2022. The sodium cyanide storage area is controlled by roadway transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. And also loading and unloading works were performed by the roadway transporters which are ICMC signatory and certified.

Pusan New Port in Korea, Vostochny, Magadan and St. Petersburg Ports in Russia Federation are controlled by national port agencies. Hyosung TNC Corporation completed due diligence investigations for rail center, ports, national port agencies and shipping companies during December 2021 to March 2022. The due diligence investigation activities are site visit and interview with employees for those rail center, ports, national port agency and shipping companies. They found the interim storage areas were controlled properly in compliance with legal requirements and ICMC code requirements. But some minor nonconformity items issued during due diligence investigation, they requested corrective actions and confirmed the corrective action results from rail center, shipping companies and national port agencies. And also they informed their sodium cyanide transportation and storage procedure, material safety data sheet and emergency response plan to employees in rail center, ports, national port agencies, interim storage areas and shipping companies.

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Principle 3 | EMERGENCY RESPONSE

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

Transport Practice 3.1

Prepare detailed emergency response plans for potential cyanide releases.

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

Hyosung TNC Corporation have maintained emergency response plan considering the possible emergency cases as sodium cyanide release to road, land, surface water and sea water, robbery during transportation and interim storage.

The emergency response plan considered the solid sodium cyanide packaged in polyethylene inner film & polypropylene woven bag and transported in container, transportation method, interim storage areas, infrastructure as road condition, ports and marine transportation. In the emergency response plan, they defined what they should do, communication channel and relevant external responders such as sodium cyanide manufacture, transporters, shipping companies, mining customers, safety agency, police and hospitals. Detail emergency response plan considering roadway transportation were prepared by ICMC certified transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. and checked by Hyosung TNC Corporation. Hyosung TNC Corporation checked that shipping companies FESCO, HMM, Maersk and Hapag Lloyd issued commitment to comply with IMO DG Code in which the emergency response plan required. For interim storage areas such as rail center and ports, they informed the emergency response plan and MSDS of sodium cyanide in which handling and treatment for released sodium cyanide defined.

Transport Practice 3.2

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

The operation is	X in full compliance with	Standard of Practice 3.2
	in substantial compliance not in compliance with	

Hyosung TNC Corporation have maintained training procedure in which the preparation of annual training plan, initial and refresher training for emergency response related to sodium cyanide export were defined.

According to the training procedure, they have prepared and implemented annual training plan as initial training for new employees and refresher training for existing employee every year.

The team leader and assistant manager of Concentrate and Mining Materials Team participated the emergency response training by sodium cyanide manufacture. And team leader implemented the training for their team members for the emergency response plan and MSDS. During the emergency response training, the communication channel, duties of relevant external agency and main activities of Concentrate and Mining Materials Team were introduced and training records were maintained. In the emergency response plan prepared by Hyosung TNC Corporation, the roles and responsibilities of team leader, team member, other relevant team and external agency were defined. And also in their emergency response plan and MSDS, the emergency response equipment such as shovel, sawdust, glove, mask etc. were defined.

The roadway transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd. have

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trained their employee and vehicle operators as yearly training program. Hyosung TNC Corporation checked the implementation of emergency response training by roadway transporters during supplier evaluations. And also shipping companies FESCO, HMM, Maersk and Hapag Lloyd have implemented training for their employee to comply with IMO DG Code. For interim storage areas, they informed their emergency response plan and MSDS of sodium cyanide in which handling and treatment for released sodium cyanide defined.

Transport Practice 3.3

Develop procedures for internal and external emergency notification and reporting.

The operation is	X in full compliance with	Standard of Practice 3.3
	in substantial compliance not in compliance with	

Hyosung TNC Corporation have maintained emergency response procedure. According to the procedure, they shall prepare and maintain emergency response plan in which detail response processes and current contact information shall be identified and the emergency response plan shall be checked every year and contact information updated as needed.

Since 2012, Hyosung TNC Corporation prepared, maintained and updated emergency response plan appropriate to sodium cyanide export business and over all emergency situations possibly expected in Russia Federation and CIS Supply Chain. During February 2022, the emergency response plan was reviewed and updated according to emergency response procedure. Internal and external notification was prepared during 2012 and updated during February 2022 including the current contact information of sodium cyanide manufacture, roadway transporters, railroad transportation company shipping companies, safety agency, fire fighting agency, government offices and hospitals. During February 2022, they updated their emergency response procedure including notification of ICMI of any significant cyanide incidents to comply with ICMC requirement. And according to due diligence investigations for ports and shipping companies, Hyosung TNC Corporation confirmed that ports and shipping companies have procedures or manuals in which reporting any significant incidents to exporters as Hyosung TNC Corporation and relevant interested parties. So Hyosung TNC Corporation can report any significant incidents during handling in ports and marine transportation to ICMI.

There was no cyanide incident related to cyanide exporting business since 2012 when Hyosung TNC Corporation started the sodium cyanide export business.

Transport Practice 3.4


Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

The operation is	X in full compliance with	Standard of Practice 3.4
	in substantial compliance not in compliance with	

Hyosung TNC Corporation prepared the emergency response plan appropriate to overall emergency situations possibly expected in Russia Federation and CIS Supply Chain. In the emergency response plan, the remediation as recovery and protect for released sodium cyanide, decontamination of soil and water, control and disposal of wastes were defined. And also the prohibit of the use of sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat sodium cyanide that has been released

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into surface water was defined. The emergency response plan and MSDS were informed to roadway transporters SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd., Ulsan Rail Center, railroad transportation company, shipping companies FESCO, HMM, Maersk and Hapag Lloyd, ports such as Pusan New Port in Korea and Vostochny, Magadan and St. Petersburg Ports in Russia Federation.

Transport Practice 3.5

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

	X in full compliance with	
The operation is	in substantial compliance	Standard of Practice 3.5
	not in compliance with	

Hyosung TNC Corporation established and maintained emergency response procedure. According to the procedure, the emergency response plan shall be checked every year and contact information updated as needed. And they shall check, evaluate and revise the emergency response plan as needed following actual incident and mock emergency drill.

During February 2022, Hyosung TNC Corporation reviewed the emergency response plan, checked the adequacy and updated contact information.

According to the emergency response procedure, they shall do the mock emergency drill once per year. The mock emergency drill was implemented in their office during February 2022. The mock emergency drill simulated cyanide exposure of employee and release to land and surface water during transportation.

After the mock drill during February 2022, they evaluated overall process and confirmed that emergency response procedure and plan were adequate, equipment defined in emergency response plan was appropriate and employee in Hyosung TNC Corporation were properly trained. There was one change as update of contact information in emergency response plan as a result of mock drill during February 2022.

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Summary Report of Due Diligence Investigations

1. Background of due diligence investigation

- 1) Inability as consigner for ports and shipping companies lead to ICMC implementation and certification

The Russia Federation and CIS Supply Chain includes sodium cyanide manufacture, roadway transporters, railroad transportation company, ports and shipping companies as below.

- (1) Roadway transportation from sodium cyanide manufacture to Ulsan Rail Centre by SAM IK LOGISTICS Co., Ltd. and Bukwang Logistics Co., Ltd.
- (2) Railroad transportation by train from Ulsan Rail Center to Pusan New Port by Korea Railroad Corporation

- (3) Marine transportation from Pusan New Port in Korea to Vostochny, Magadan and St. Petersburg Ports in Russia Federation by FESCO, HMM, Maersk and Hapag Lloyd

As consigner Hyosung TNC Corporation Concentrate & Mining Materials Team control the overall Russia Federation and CIS Supply Chain and will choose ICMC certified subcontractors or lead the ICMC implementation and certification to sodium cyanide manufacture, road transporters, ports and shipping companies. So they successfully have chosen ICMC certified subcontractors as TongSuh Petrochemical Co., Ltd. Ulsan Plant, SAM IK Logistics Co., Ltd. and Bukwang Logistics Co., Ltd. However they can't choose the ICMC certified railroad transportation company, national port control agencies and shipping companies. And also they can't the lead railroad transportation company, ports and shipping companies to ICMC implementation and certification due to their inability to affect change in their operating practices.

So Hyosung TNC Corporation Concentrate & Mining Materials Team planned and implemented due diligence investigation for railroad transportation company, ports and shipping companies as required by ICMC.

- 2) Scope of due diligence investigation

Railroad transportation company, Pusan New Port in Korea, shipping companies and Vostochny, Magadan and St. Petersburg Ports in Russia Federation were included in Russia Federation and CIS Supply Chain.

So the due diligence investigations were implemented for Korea Railroad Corporation, Pusan New Port in Korea, shipping companies ESCO, HMM, Maersk and Hapag Lloyd, and Vostochny, Magadan and St. Petersburg Ports in Russia Federation.

2. Progress of due diligence investigation

- 1) Development of checklist

Hyosung TNC Corporation Concentrate & Mining Materials Team reviewed the ICMC requirements, IMO DG Code, Russia Federation and CIS Supply Chain, property of sodium cyanide and information from TongSuh Petrochemical Co., Ltd. Ulsan Plant. They have developed checklist for due diligence investigation applicable to the control of sodium cyanide storage and transportation.

- 2) Nomination of investigation team leader and member

Considering the work experience and knowledge of ICMC, Concentrate & Mining Materials Team manager Mr. KwangJin Kim nominated team leader and member for due diligence investigation as below.

- Team Leader : Ms. JaeYeon Moon (Manager / Concentrate & Mining Materials Team)

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Ms. Ermina Olesya (Manager / International Trading / Hyosung Rus)

Ms. Elena Barannik (Manager / International Trading / Hyosung Rus)

- Team Member : Mr. DongHyup Ro (Assistant Manager / Concentrate & Mining Materials Team)

3) Scheduling of due diligence investigation

Hyosung TNC Corporation Concentrate & Mining Materials Team planned the due diligence investigation during December 2021 to March 2022 for Korea Railroad Corporation, Pusan New Port in Korea, shipping companies ESCO, HMM, Maersk and Hapag Lloyd and Vostochny, Magadan and St. Petersburg Ports in Russia Federation.

4) Implementation of due diligence investigation

Hyosung TNC Corporation Concentrate & Mining Materials Team implemented due diligence investigation as planned during December 2021 to March 2022. They use the checklist and record the investigation results in checklist. After the investigation, they issued the completed checklist to railroad transportation company, national port agencies and shipping company and requested corrective actions for some minor nonconformity. Hyosung TNC Corporation Concentrate & Mining Materials Team checked the action results and confirmed that corrective actions were completed for some minor nonconformity.

3. Results of due diligence investigation

Hyosung TNC Corporation Concentrate & Mining Materials Team have developed and used the checklist and recorded the investigation results in checklist.

1) Korea Railroad Corporation -Ulsan Rail Center & Railroad Transportation

(1) Activities

Control of Ulsan Rail Center and railroad transportation

(2) Due diligence investigation date

- 14 January 2022

(3) Due diligence investigation team

- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining Materials Team / Hyosung TNC)

- Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)

(4) Due diligence investigation results

The due diligence investigation team have not found any nonconformity during the due diligence investigation for the control of Ulsan Rail Center and railroad transportation. So they did not issue any corrective action request. Instead they informed the MSDS of sodium cyanide to the team leader of Ulsan Rail Center.

(5) Conclusion

According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in Ulsan Rail Center and railroad transportation comply with ICMC and national legal requirements.

2) Pusan New Port in Korea

(1) Activities

Control of storage yard in Pusan New Port by national port control agency

(2) Due diligence investigation date

- 02 December 2021

(3) Due diligence investigation team

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- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining Materials Team / Hyosung TNC)
 - Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
- (4) Due diligence investigation results
The due diligence investigation team have not found any nonconformity during the due diligence investigation for the control of Pusan New Port. So they did not issue any corrective action request. Instead they informed the MSDS of sodium cyanide to member of Pusan New Port.
- (5) Conclusion
According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in Pusan New Port comply with ICMC and national legal requirements.
- 3) FESCO Line Korea
- (1) Activities
Marine transportation by FESCO Line Korea
- (2) Due diligence investigation date
- 22 December 2021
- (3) Due diligence investigation team
- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining materials Team / Hyosung TNC)
- Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
- (4) Due diligence investigation results
The investigation team issued the checklist to FESCO Line Korea Co., Ltd. and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by FESCO Co., Ltd. And also investigation team informed the MSDS of sodium cyanide to the assistant general manager of FESCO Line Co., Ltd.
- (5) Conclusion
According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in marine transportation by FESCO Line Korea comply with ICMC and national legal requirements.
- 4) Maersk Line
- (1) Activities
Marine transportation by Maersk Line Korea
- (2) Due diligence investigation date
- 27 December 2021
- (3) Due diligence investigation team
- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining Materials Team / Hyosung TNC)
- Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
- (4) Due diligence investigation results
The due diligence investigation team have not found any nonconformity during the due diligence investigation for the control of marine transportation by Maersk Line Korea. So they did not issue any corrective action request. Instead they informed the MSDS of sodium cyanide to assistant general manager of Maersk Line Korea

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- (5) Conclusion
According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in marine transportation by Maersk Line Co., Ltd comply with ICMC and national legal requirements.
- 5) Hapag-Lloyd Line
- (1) Activities
Marine transportation by Hapag-Lloyd Line Korea
- (2) Due diligence investigation date
- 17 March 2022
- (3) Due diligence investigation team
- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining Materials Team / Hyosung TNC)
- Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
- (4) Due diligence investigation results
The investigation team issued the checklist to Hapag-Lloyd Line Korea and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by Hapag-Lloyd Line Korea. And also investigation team informed the MSDS of sodium cyanide to team leader of Hapag-Lloyd Line Korea
- (5) Conclusion
According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in marine transportation by Hapag-Lloyd Line Korea comply with ICMC and national legal requirements.
- 6) HMM Line
- (1) Activities
Marine transportation by HMM Line
- (2) Due diligence investigation date
- 08 December 2021
- (3) Due diligence investigation team
- Team Leader : Jaeyeon Mun (Acting Manager / Concentrate & Mining Materials Team / Hyosung TNC)
- Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
- (4) Due diligence investigation results
The investigation team issued the checklist to HMM Line and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by HMM Line. And also investigation team informed the MSDS of sodium cyanide to team leader of HMM Line
- (5) Conclusion
According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in marine transportation by HMM Line comply with ICMC and national legal requirements.
- 7) St. Petersburg Port in Russia Federation
- (1) Activities
Control of storage yard in St. Petersburg Port in Russia Federation by national port control agency

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Russia Federation and CIS Supply Chain**

**Cyanide Transportation
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- (2) Due diligence investigation date
 - 26 January 2022
 - (3) Due diligence investigation team
 - Team Leader : Ermina Olesya (Assistant Manager / International Trading / Hyosung Rus)
 - Team Member : Donghyup Ro (Member / Concentrate & Mining materials Team / Hyosung TNC)
 - (4) Due diligence investigation results

The investigation team issued the checklist to representative of national port agency of St. Petersburg Port and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by national port agency of St. Petersburg Port. And also investigation team informed the MSDS of sodium cyanide to representative of national port agency of St. Petersburg Port
 - (5) Conclusion

According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in St. Petersburg Port comply with ICMC and national legal requirements.
- 8) Magadan Port in Russia Federation
- (1) Activities

Control of storage yard in Magadan Port in Russia Federation by national port control agency
 - (2) Due diligence investigation date
 - 18 February 2022
 - (3) Due diligence investigation team
 - Team Leader : Elena Barannik (Assistant Manager/International Trading / Hyosung Rus)
 - Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)
 - (4) Due diligence investigation results

The investigation team issued the checklist to representative of national port agency of Magadan Port and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by national port agency of Magadan Port. And also investigation team informed the MSDS of sodium cyanide to representative of national port agency of St. Petersburg Port
 - (5) Conclusion

According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in Magadan Port comply with ICMC and national legal requirements.
- 9) Vostochny Port in Russia Federation
- (1) Activities

Control of storage yard in Vostochny Port in Russia Federation by national port control agency
 - (2) Due diligence investigation date
 - 11 March 2022
 - (3) Due diligence investigation team
 - Team Leader : Ermina Olesya (Assistant Manager / International Trading / Hyosung Rus)
 - Team Member : Donghyup Ro (Member / Concentrate & Mining Materials Team / Hyosung TNC)

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(4) Due diligence investigation results

The investigation team issued the checklist to representative of national port agency of Vostochny Port and requested corrective actions for some minor issues identified during due diligence investigation. And also the investigation team confirmed the corrective action results taken by national port agency of Vostochny Port. And also investigation team informed the MSDS of sodium cyanide to head of administrative department of national port agency of Vostochny Port

(5) Conclusion

According to the due diligence investigation results, Hyosung TNC Corporation Concentrate & Mining Materials Team concluded that the control of sodium cyanide in Magadan Port comply with ICMC and national legal requirements.

4. Review of the due diligence investigation results by ICMC audit team

During the ICMC certification audit June 2022 for Russia Federation and CIS Supply Chain of Hyosung Corporation, the auditor Mr. Sang-Ho Ahn and trainee BongWon Kim reviewed the due diligence investigation process and results implemented by Hyosung TNC Corporation Concentrate & Mining Materials Team. The due diligence investigations included the railroad transportation, control storage yards in ports and marine transportation. Hyosung TNC Corporation Concentrate & Mining Materials Team implemented the due diligence investigations comprehensively as below.

- Study and develop checklist applicable to sodium cyanide railroad transportation, storage in ports and marine transportation.
- Nominated competent personnel as due diligence investigation team leader and member.
- Implement due diligence investigation with checklists and record the results.
- Issue corrective actions for minor issues identified during due diligence investigation.
- Checked corrective action results

The audit team finally concluded that the due diligence investigations for Russia Federation and CIS Supply Chain implemented by Hyosung TNC Corporation were comply with ICMC requirements.

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