

***INTERNATIONAL CYANIDE  
MANAGEMENT INSTITUTE***

***Cyanide Transportation  
Summary Audit Report***

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

**OCI Corporation  
Oceania Supply Chain**

**11 April 2017**

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Name of Supply Chain Operator



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Lead Auditor Signature  
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**Name of Cyanide Supply Chain : Oceania Supply Chain**

**Name of Supply Chain Owner : OCI Corporation**

**Name of Supply Chain Operator : OCI Corporation**

**Name of Responsible Manager : Mr. Se-Hyun Jeong / Assistant Manager, Fine Chemicals Team, OCI Corporation**

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**Location detail and description of operation:**

The head office of OCI Corporation is located in Seoul, Korea. In OCI Corporation, there are several trading business divisions. Related to supplying the sodium cyanide, the main jobs of Fine Chemicals Team in Chemicals Business Division are making agreement with mining companies, receiving customer orders, review of customer orders and arrangement of shipping. Those were conducted by Fine Chemicals Team in Chemicals Business Division of OCI Corporation.

The OCI Corporation applied the Oceania Supply Chain as ICMC signatory during June 2014 year. And they have established and implemented safety system according to ICMC requirements. The Oceania Supply Chain includes the transportation of sodium cyanide from manufacture in Korea to Lae Port in Papua New Guinea Oceania. According to the sodium cyanide supply contracts with gold mining customers, the OCI Corporation is responsible for supplying sodium cyanide from manufacture in Korea to Lae Port in Papua New Guinea Oceania. The customs clearance and transportation from the port to gold mining sites in Papua New Guinea are controlled and implemented by gold mining customers. So the road transportation from Lae Port to gold mining sites in Papua New Guinea is excluded in Oceania Supply Chain.

The road transportation companies, ports and shipping company are included in Oceania Supply Chain as below.

- (1) Sodium cyanide manufacture : TaeKwang Industry Co., Ltd. Ulsan Plant in Korea
- (2) Transportation from sodium cyanide manufacture to Busan New Port in Korea : By Hae Dong Logistics and SAM IK LOGISTICS Co., Ltd.
- (3) Marine transportation from Busan New Port in Korea to Lae in Papua New Guinea Oceania : By DONG JIN SHIPPING Co., Ltd

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Auditor's Finding

This operation is

**X in full compliance**

- ☐ in substantial compliance \*(see below) with the International Cyanide Management Code
- ☐ not in compliance

with the International Cyanide Management Code.

Audit Company : 3Points Co., Ltd.  
Audit Team Leader : Mr. Sang-Ho Ahn  
E-mail: triplepoint@naver.com  
Dates of Audit : 11, 20 and 21 February 2017

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader established by the International Cyanide Management Institute and that the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

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

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Summary Audit Report

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

Transport Practice 1.1 : Select cyanide transport routes to minimize the potential for accidents and releases.

The operation is **X in full compliance with**  
☐ in substantial compliance **with Transport Practice 1.1**  
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

During May 2016 year, the OCI Corporation established supply chain organization and control procedure in which detail process for selection of sodium cyanide transportation routes and control methods were defined. According to the procedure, they considered overall transportation route from sodium cyanide manufacture in Korea to Lae Port in Papua New Guinea Oceania. They identified several possible routes from sodium cyanide manufacture in Korea to Lae Port in Papua New Guinea Oceania. They consider and evaluate the routes for such items as population density, infrastructure, prevalence of water, security, possibility of hijacking and cost effectiveness. And then they finally decided the transportation routes as below.

- 1) From sodium cyanide manufacture TaeKwang Industry Co., Ltd. Ulsan Plant to Busan New Port in Korea : Roadway transportation by truck
- 2) Busan New Port in Korea to Lae Port in Papua New Guinea Oceania : Marine transportation by ship

The subcontractor evaluation process was defined in supply chain organization and control procedure. Such items as ICMC signatory or OHSAS18001 certification, history of accident, compliance of target delivery, price and cooperation etc. were evaluated for sodium cyanide manufacture, road transportation companies, shipping companies and ports. According to the procedure they evaluated and chose sodium cyanide transportation companies and shipping companies as below.

- 1) Sodium cyanide manufacture : TaeKwang Industry Co., Ltd. Ulsan Plant
- 2) Roadway transportation from cyanide manufacture to Busan New Port in Korea : Hae Dong Logistics and SAM IK LOGISTICS Co., Ltd.  
\* Actually the Hae Dong Logistics and SAM IK LOGISTICS Co., Ltd. are sub-contractors of TaeKwang Industry Co., Ltd. Ulsan Plant not chosen by OCI Corporation.
- 3) Marine transportation from Busan New Port in Korea to Lae Port in Papua New Guinea Oceania : DONG JIN SHIPPING Co., Ltd

The OCI Corporation decided the control methods for each segment in Oceania Supply Chain as below.

- 1) Roadway transportation companies in Korea (Hae Dong Logistics and SAM IK LOGISTICS Co., Ltd.)
  - (1) Periodic supplier evaluation by OCI Corporation Fine Chemicals Team
  - (2) Implementation and certification of ICMC by Hae Dong Logistics and SAM IK LOGISTICS Co., Ltd.
- 2) Busan New Port in Korea
  - (1) Periodic route evaluation by OCI Corporation Fine Chemicals Team
  - (2) Periodic due diligence investigation by OCI Corporation Fine Chemicals Team

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- 3) Marine transportation by shipping company (DONG JIN SHIPPING Co., Ltd)
  - (1) Periodic route evaluation by OCI Corporation Fine Chemicals Team
  - (2) Periodic due diligence investigation by OCI Corporation Fine Chemicals Team
- 4) Lae Port in Papua New Guinea Oceania
  - (1) Periodic route evaluation by OCI Corporation Fine Chemicals Team
  - (2) Periodic due diligence investigation by OCI Corporation Fine Chemicals Team

According to the above control methods, the OCI Corporation have implemented the selection of ICMC certified manufacture and road transportation companies, supplier evaluation, route evaluation and due diligence investigation.

The OCI Corporation established risk assessment and high risk control procedure in which hazard identification for sodium cyanide supply chain, risk assessment for identified hazards and high risk control were defined. According to the procedure, the OCI Corporation Fine Chemicals Team have identified hazards and evaluated the risks for the Oceania Supply Chain. Below high risks were identified.

- 1) Release of sodium cyanide powder to road, land and surface water during roadway transportation by transporters.
- 2) Damage to sodium cyanide container and human contact during loading and unloading works.
- 3) Release to sea water during marine transportation by shipping company
- 4) Robbery during road transportation, storage in ports and marine transportation.
- 5) Taken away by criminal suspect during road and marine transportation

The OCI Corporation documented the control measures to address risks in Oceania Supply Chain. They prepared and completed the control measures such as supplier evaluation, checked the certification of ICMC by roadway transporters and due diligence investigation for ports and shipping company. And also they established emergency response plan for sodium cyanide release, robbery and taken away by criminal suspect. The communication channel with government body, safety agency, police, manufacture and transporter defined in emergency response plan.

According to supply chain organization and control procedure, the OCI Corporation should reevaluate the overall routes of Oceania Supply Chain every year periodically. And if there are some changes related to routes, transporters, facilities and relevant legal requirements, they will reevaluate the routes non-periodically. As they completed the route evaluation during June 2016 year for Oceania Supply Chain, they will reevaluate the routes of Oceania Supply Chain during June 2017 year.

The process for getting feedback on route condition from each segment in Oceania Supply Chain was defined in supply chain organization and control procedure. According to the procedure, OCI Corporation Fine Chemicals Team established communication channel and received information related to cyanide transportation routes from sodium cyanide manufacture, road transporters, shipping company and ports. Since June 2016 year when they initially completed route evaluation, there is no special issue from received information.

When OCI Corporation selected the transportation route of Oceania Supply Chain and developed the control measures for high risk, they considered and reflected the comments from communities and stakeholders such as such as sodium cyanide manufacture TaeKwang Industry Co., Ltd. Ulsan Plant, road transporters Hae Dong Logistics and SAMIK LOGISTICS Co., Ltd., shipping company, Ulsan government office, Busan local government office, Good Morning Hospital, DongKang Medical Center, Korea Occupational Health and Safety Agency and local fire fighting agency.

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The OCI Corporation informed the sodium cyanide transportation and received some general comments. The OCI Corporation have informed their sodium cyanide transportation and storage procedure, material safety data sheet and emergency response plan to above communities and stakeholders.

The OCI Corporation reviewed the overall route for Oceania Supply Chain. According to the review results, they decide that convoys and escorts are unnecessary from sodium cyanide manufacture TaeKwang Industry Co., Ltd. Ulsan Plant in Korea to Lae Port in Papua New Guinea Oceania as sodium cyanide production and road transportation by ICMC certified companies and implementation of IMDG code by big Korean shipping company.

The OCI Corporation established emergency response plan for sodium cyanide release to land and water and human exposure. In the emergency response plan, role and mutual aid with sodium cyanide transporters, ports, safety agency, police, fire fighting agency, hospital etc. were defined. They advised the emergency response plan to relevant bodies and informed their sodium cyanide transportation and storage procedure and material safety data sheet. Those activities were also implemented ICMC signatories and certified manufacture and transporters.

*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                      **with Transport Practice 1.2**  
   ☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

According to supply chain organization and control procedure prepared by the OCI Corporation, they evaluated subcontractors during September 2016 year. During the subcontractor evaluation, they checked and confirmed that sodium cyanide transport subcontractors have used only trained, qualified and licensed operators. And also those transport subcontractors were ICMC signatories and certified. The OCI 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 company 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                      **with Transport Practice 1.3**  
   ☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

According to supply chain organization and control procedure, the OCI Corporation evaluated subcontractors during September 2016 year. During the subcontractor evaluation, they checked and confirmed that sodium cyanide transport subcontractors 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 the OCI Corporation confirmed that transporters, ports and shipping company have preventive maintenance procedure to control the 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                                    **with Transport Practice 1.4**  
                                 ☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

As the OCI Corporation is a trading company, they do not actually need the detail safety program for transport of sodium cyanide. During the subcontractor evaluation and due diligence investigation, they checked and confirmed that sodium cyanide transporters, ports and shipping company 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 transporters violate the local regulation and international standards, they are not able to be registered as approved subcontractor to OCI Corporation.

*Transport Practice 1.5 : Follow international standards for transportation of cyanide by sea and air.*

The operation is            **X in full compliance with**  
                                 ☐ in substantial compliance                                    **with Transport Practice 1.5**  
                                 ☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

As the OCI Corporation is trading company, they do not actually perform the transportation of cyanide by sea and air. They evaluated shipping company according to supply chain organization and control procedure. They applied such evaluation items as compliance with IMDG 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 DONG JIN SHIPPING Co., Ltd as shipping company for sodium cyanide transportation from Busan New Port in Korea to Lae Port in Papua New Guinea Oceania. The OCI Corporation completed the due diligence investigation during February 2017 year for the shipping company. According to the due diligence investigation, the OCI Corporation confirmed that shipping company were comply with IMDG Code. Transportation of sodium cyanide by air is not applicable at this point.

*Transport Practice 1.6 : Track cyanide shipments to prevent losses during transport.*

The operation is            **X in full compliance with**  
                                 ☐ in substantial compliance                                    **with Transport Practice 1.6**  
                                 ☐ not in compliance with

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*Summarize the basis for this Finding/Deficiencies Identified:*

As the OCI Corporation is trading company, 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 companies, the manufacture and emergency responders defined. And also during the subcontractor evaluation, they checked and confirmed that the transporters periodically have tested the communication equipment.

The OCI Corporation checked the overall routes of Oceania Supply Chain. And found no blackout area. And they requested to transporters to identify blackout area and alternative procedure to control the blackout area. Until now they have not received any identified blackout area from transporters. The OCI 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 TaeKwang Industries Co., Ltd. Ulsan Plant, transporters as Hae Dong Logistics and SAM IK Logistics Co., Ltd. and communication with shipping company DONG JIN SHIPPING Co., Ltd And also during the subcontractor evaluation, they checked and evaluated the tracking of cyanide shipments by transporters.

As the OCI 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 TaeKwang Industries Co., Ltd. Ulsan Plant to dispatch the amount of sodium cyanide and nominate the shipping company. The individual customer order including target delivery and amount, dispatched date and quantity of sodium cyanide from manufacture to shipping company were registered in computer network system of OCI Corporation. And also the progress of marine transportation by shipping company can be checked for individual customer orders by communication with shipping company DONG JIN SHIPPING Co., Ltd So the inventory control and custody documentation were properly implemented to prevent loss of sodium cyanide during transportation.

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2. *INTERIM STORAGE : Design, construct and operate cyanide trans-shipping depots and 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	<b>X in full compliance with</b>	<b>with Transport Practice 2.1</b>
	<input type="checkbox"/> in substantial compliance	
	<input type="checkbox"/> not in compliance with	

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation Fine Chemicals Team checked over all routes of Oceania Supply Chain and identified interim storage areas as below.

- 1) Busan New Port in Korea
- 2) Lae Ports in Papua New Guinea Oceania

The Busan New Port in Korea and Lae Port in Papua New Guinea are controlled by national port control agency and interim storage areas are rent and controlled by shipping company. The OCI Corporation completed the due diligence investigation for Busan New Port during 06 February 2017 year and Lae Port in Papua New Guinea during 17 January 2017. The due diligence investigation activities are site visit and interview with employees for those ports, national port agency and shipping company. They found the interim storage areas were controlled properly in compliance with legal requirements and ICMC requirements. But some minor nonconformity items issued during due diligence investigation, they requested corrective actions and confirmed the corrective action results from shipping company. And also they informed their sodium cyanide transportation and storage procedure, material safety data sheet and emergency response plan to employees in ports, national control port agency and shipping company.



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**  
☐ in substantial compliance **with Transport Practice 3.1**  
☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation established emergency response plan considering the possible emergency situations as sodium cyanide release to road, land, surface water and sea water, robbery during transportation and interim storage and taken away by criminal suspect during transportation. The emergency response plan considered the solid sodium cyanide packaged in film and box 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 company, mining customers, safety agency, police and hospitals. Detail emergency response plans considering road transportation were prepared by ICMC certified transporters as Hae Dong Logistics and SAM IK Logistics Co., Ltd. and checked by OCI Corporation. The OCI Corporation checked that shipping company DONG JIN SHIPPING Co., Ltd issued commitment to comply with IMDG Code in which the emergency response plan required. For interim storage areas such as 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**  
☐ in substantial compliance **with Transport Practice 3.2**  
☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation Fine Chemicals Team have training plan in which the emergency trainings are scheduled during September 2016 year and two times during 2017 year. The director and assistant manager of Fine Chemicals Team participated the emergency response training by TaeKwang Industries Co., Ltd. Ulsan plant. And director implemented the training for their team members for the emergency response plan and MSDS during September 2016 year. During the emergency response training, the communication channel, duties of relevant external agency and main activities of Fine Chemicals Team were introduced and training records were maintained. In the emergency response plan prepared by OCI Corporation, the roles and responsibilities of team leader, team member, other relevant team and external agency defined. And also in their emergency response plan and MSDS, the emergency response equipment such as shovel, sawdust, glove, mask etc. were defined.

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The road transportation companies as Hae Dong Logistics and SAM IK Logistics Co., Ltd. have trained their employee and vehicle operators as yearly training program. The Fine Chemicals Team did not provide emergency response trainings directly to vehicle operator. Instead the Fine Chemicals Team checked the implementation of emergency response training by road transportation companies during supplier evaluations. And also shipping company DONG JIN SHIPPING Co., Ltd. have implemented training for their employee to comply with IMDG 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. For interim storage areas, the training or introduction with their emergency response plan and MSDS is enough for emergency situations in ports.

*Transport Practice 3.3 : Develop procedures for internal and external emergency notification and reporting.*

The operation is **X in full compliance with**  
☐ in substantial compliance **with Transport Practice 3.3**  
☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation prepared the emergency response plan appropriate to the overall emergency situations possibly expected in Oceania Supply Chain. In the emergency response plan, contact information as telephone number, relevant person name and address of sodium cyanide manufacture, road transporter, shipping company, safety agency, fire fighting agency and hospital were defined. According to emergency response procedure, the OCI Corporation should check the emergency response plan every year and update the contact information and detail process as needed. According to their emergency response procedure, the emergency response plan was prepared during September 2016 year including contact information, notification method, detail process as what OCI Corporation should do. The emergency response plan will be checked and updated during September 2017 year according to emergency response procedure. Current internal and external notification was prepared during September 2016 year including the contact information of sodium cyanide manufacture, road transporters, shipping company, safety agency, fire fighting agency, hospital and local government office.

*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**  
☐ in substantial compliance **with Transport Practice 3.4**  
☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation prepared the emergency response plan appropriate to overall emergency situations possibly expected in Oceania 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 into surface water was defined. The emergency response plan and MSDS were informed to road

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transporters such as Hae Dong Logistics, SAM IK Logistics Co., Ltd., shipping company DONG JIN SHIPPING Co., Ltd. and ports such as Busan New Port in Korea and Lae Port in Papua New Guinea Oceania.

*Transport Practice 3.5 : Periodically evaluate response procedures and capabilities and revise them as needed.*

<b>The operation is</b>	<b>X in full compliance with</b>	<b>with Transport Practice 3.5</b>
	<input type="checkbox"/> in substantial compliance	
	<input type="checkbox"/> not in compliance with	

*Summarize the basis for this Finding/Deficiencies Identified:*

The OCI Corporation established emergency response procedure. According to the procedure, the emergency response plan shall be checked every year and contact information updated as needed. During September 2016 year, the Fine Chemicals Team prepared emergency response plan. And also during September 2017 year, the emergency response plan will be checked and updated to reflect the changes in Oceania Supply Chain. 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 September 2016 year. They checked the overall process and adequacy of emergency response plan and recorded the results.

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### 1. Background of due diligence investigation

- (1) Roadway transportation from sodium cyanide manufacture to Busan New Port by Hae Dong Logistics and SAM IK Logistics Co., Ltd. in Korea
- (2) Control of storage in Busan New Port in Korea
- (3) Marine transportation from Busan New Port in Korea to Lae Port in Papua New Guinea by DONG JIN SHIPPING Co., Ltd
- (4) Control of storage in Lae Port in Papua New Guinea Oceania

As consigner the OCI Corporation Fine Chemicals Team controls overall Oceania Supply Chain and will choose ICMC certified subcontractors or lead the ICMC implementation and certification to sodium cyanide manufacture, road transporters, ports and shipping company. So they successfully have chosen ICMC certified subcontractors as TaeKwang Industry Co., Ltd. Ulsan Plant, Hae Dong Logistics and SAM IK Logistics Co., Ltd. However they can't choose the ICMC certified national port control agency and shipping company. And also they can't lead ports and shipping companies to ICMC implementation and certification due to their inability to affect change in the operating practices of those national port control agency and shipping company.

So the OCI Corporation Fine Chemicals Team planned and implemented due diligence investigation for ports and shipping company as required by ICMC.

- ## 2) Scope of due diligence investigation

The Busan New Port in Korea, shipping company and Lae Port in Papua New Guinea Oceania were includes in Oceania Supply Chain. So the due diligence investigations were implemented for Busan New Port in Korea, shipping company DONG JIN SHIPPING Co., Ltd. and Lae Port in Papua New Guinea Oceania.

## 2. Progress of due diligence investigation

- ### 1) Development of checklist

The OCI Corporation Fine Chemicals Team reviewed the ICMC requirements, IMDG Code, Oceania Supply Chain, property of sodium cyanide and information from TaeKwang Industry Co., Ltd. Ulsan Plant. They have developed checklist for due diligence investigation applicable to the control of sodium cyanide storage in ports and marine transportation.

- ## 2) Nomination of investigation team leader and member

Considering the work experience and knowledge of ICMC, director Mr. Sung-Hwan Ji of OCI Corporation Fine Chemicals Team nominated team leader and member for due diligence investigation as below.

- Team Leader : Mr. Se-Hyun Jeong (Assistant Manager / Fine Chemicals Team)  
Mr. Young-Haeng Lee (Assistant Manager / Fine Chemicals Team)  
- Team Member : Mr. Hyun-Soo Kim (Clerk / Fine Chemicals Team)

- ### 3) Scheduling of due diligence investigation

The OCI Corporation Fine Chemicals Team planned the due diligence investigation during January to February 2017 year Busan New Port in Korea, shipping company DONG JIN SHIPPING Co., Ltd. and Lae Port in Papua New Guinea Oceania.

- #### 4) Implementation of due diligence investigation

The OCI Corporation Fine Chemicals Team implemented due diligence investigation as planned during January to February 2017 year. They use the checklist and record the investigation results in checklist. After the investigation, they issued the completed checklist to national port agencies and shipping

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*Jin S.H. Ahn*



company and requested corrective actions for some nonconformities. The OCI Corporation Fine Chemicals Team checked the action results from shipping company and confirmed that corrective actions were completed for nonconformities.

3. Results of due diligence investigation

The OCI Corporation Fine Chemicals Team have developed and used the checklist and recorded the investigation results in checklist.

1) Busan New Port in Korea

(1) Activities

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

(2) Due diligence investigation date

06 Feb. 2017 Year

(3) Due diligence investigation team

- Team Leader : Se Hyun Jeong Assistant Manager/Fine Chemicals Team
- Team Member : Hyun-Soo Kim Jeong Clerk/Fine Chemicals Team

(4) Due diligence investigation results

The due diligence investigation team have not found any nonconformity during the due diligence investigation for the control of storage yard in Busan New Port. So they did not issue any corrective action request. Instead they informed the MSDS of sodium cyanide to the manager of Busan New Port

(5) Conclusion

According to the due diligence investigation results, the OCI Corporation Fine Chemicals Team concluded that the control of sodium cyanide storage yard in Busan New Port comply with ICMC and national legal requirements.

2) Marine transportation by DONG JIN SHIPPING Co., Ltd

(1) Activities

Marine transportation by DONG JIN SHIPPING Co., Ltd

(2) Due diligence investigation date

07 Feb. 2017 Year

(3) Due diligence investigation team

- Team Leader : Se Hyun Jeong Assistant Manager/Fine Chemicals Team
- Team Member : Hyun-Soo Kim Jeong Clerk/Fine Chemicals Team

(4) Due diligence investigation results and corrective action request

The investigation team issued the checklist to DONG JIN SHIPPING Co., Ltd and requested corrective action for one minor nonconformity identified during due diligence investigation. And also the investigation team confirmed the corrective action result taken by DONG JIN SHIPPING Co., Ltd. And also investigation team informed the MSDS of sodium cyanide to the manager of DONG JIN SHIPPING Co., Ltd.

(5) Conclusion

According to the due diligence investigation results, the OCI Corporation Fine Chemicals Team concluded that the marine transportation by DONG JIN SHIPPING Co., Ltd comply with ICMC and national legal requirements.

3) Lae Port in Papua New Guinea Oceania

(1) Activities

Control of storage yard in Lae Port by national port control agency

(2) Due diligence investigation date

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17 Jan. 2017 Year

(3) Due diligence investigation team

- Team Leader : Se Hyun Jeong Assistant Manager/Fine Chemicals Team
- Team Member : Hyun-Soo Kim Jeong Clerk/Fine Chemicals Team

(4) Due diligence investigation results

The due diligence investigation team have not found any nonconformity during the due diligence investigation for the control of storage yard in Lae Port. So they did not issue any corrective action request. Instead they informed the MSDS of sodium cyanide to the manager of Lae Port

(5) Conclusion

According to the due diligence investigation results, the OCI Corporation Fine Chemicals Team concluded that the control the sodium cyanide storage yard in Lae 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 February and March 2017 year for Oceania Supply Chain of OCI Corporation, the auditor Mr. Sang-Ho Ahn reviewed the due diligence investigation process and results implemented by OCI Corporation Fine Chemicals Team.

The due diligence investigations included the control storage yards in ports and marine transportation. The OCI Corporation Fine Chemicals Team implemented the due diligence investigations comprehensively for ports and marine transportation as below.

- Study and develop checklist applicable to sodium cyanide 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 nonconformities identified during due diligence investigation.
- Checked corrective action results

The audit team finally concluded that the due diligence investigations for Oceania Supply Chain implemented by OCI Corporation Fine Chemicals Team were comply with ICMC requirements.

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