

TRANSPORTATION SUMMARY AUDIT REPORT

Submitted to:

**INTERNATIONAL CYANIDE
MANAGEMENT INSTITUTE**

1400 I Street, NW – Suite 550
Washington, DC 20005, USA



Jirón Santorin, 243 – Santiago de Surco
Lima, Peru
Transport Supply Chain
Three year cycle recertification audit




Submitted by:



Geosoluciones Panamá, S.A.
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MERCANTIL, S.A.
Name of Operation


Signature of Lead Auditor
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June 2021

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TRANSPORTATION SUMMARY AUDIT REPORT

A- Operation General Information

Name of Transport Operation: MERCANTIL, S.A.
Name of Facility Owner: MERCANTIL, S.A.
Name of Facility Operator: MERCANTIL, S.A.
Name of Responsible Manager: Bruno Bellatin Gomez de la Torre
Address: Jirón Santorin 243, distrito de Santiago de Surco
State/Province/Country: Lima/ Peru
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B- Operation Location Details and Description:

The ICMI's Auditor Guidance for Use of the Transportation Verification Protocol (Auditor Guidance), published June 2021, was used as a reference in evaluating compliance measures for Transportation Practices.

Mercantil, S.A. was founded in 1980 as a supplier of chemical products for the Peruvian mining industry. Due to the increase in the supply of products, the Industrial, Water, Processes and Laboratory divisions were created.

In 2012, "Grupo Mercantil" was created, to group the companies under the same brand.

In 2018, Mercantil, S.A. reorganized its structure, defining three divisions and five units for the commercialization of its products. Among these products are the solid Sodium Cyanide briquettes, which are imported from different factories certified by the Cyanide Code around the world.


C- Overall description of the supply chain

Mercantil, S.A. is comprised of three departments: the Supply Department, which is dedicated to importing and transporting from manufacturers; the Commercial Department, which oversees the commercialization in the supply chain from the Port to the Mining Units; the administrative department, which contains HSE-Q, which is in charge of the Safe Cyanide Management.

Mercantil, S.A. transports cyanide in 1 ton, 1.1 ton and 50kg packages. Eventually, it transfers the packed cyanide from the warehouse belonging to its supply chain (ALPA), in 17-ton isotanks to the Volcan mining unit (Planta Óxidos).

During the COVID-19 pandemic, most of the administrative staff has been working from home, and there are collaborators who have been ensuring that the cyanide transportation process complies with the standards of the Cyanide Code.

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Mercantil, S.A. purchases sodium cyanide manufactured and packed by the following manufacturers:

C.1- THE HEBEI CHENGXIN CO., LTD,

Mercantil, S.A. (hereinafter referred to as “Mercantil”), purchases sodium cyanide manufactured and packed by the Hebei Chengxin Co., Ltd (the production company). Solid cyanide is package in 50 kg drums or 1 tonn intermediate bulk containers and then into iso-containers. The producer is certified by the Cyanide Code.

<https://cyanidecode.org/wp-content/uploads/2021/04/HebeiChengxinProdSAR2019.pdf>

Subsequently, the cyanide is transported to Tianjin Port or Qingdao Port, both were included in a due diligence as required by the Cyanide Code.

<https://cyanidecode.org/wp-content/uploads/2021/04/HebeiTransportSAR2020.pdf>


The Global Ocean Supply Chain is used for shipments from Port of Tianjin and Quingdao (China) by ocean carrier and then arriving at the Port of Callao. The ocean carriers used for ocean transport include CMA CGM, Hapag Lloyd, KMTC, Maersk, MSC, Hamburg Sud and Swire Shipping.

The Port of Tianjin has restricted access. The Tianjin Maritime Safety Bureau is the local agency of the China Maritime Safety Administration (MSA) and is responsible for enforcing regulations on the MSA's behalf at the Port of Tianjin.

The Port of Qingdao has restricted access. The Dispatch Center organizes ship movements, track pilotage operations, and supervises terminal operations via real-time CCTV monitoring.

On March 30, 2020, due diligence was conducted in the Port of Callao. The Port of Callao is governed by Peru's National Port Authority and is maintained and administered by “La Empresa Nacional de Puertos, S.A.” (ENAPU). ENAPU is a public agency under the Ministry of Transport and Communications. The Port of Callao handles three quarters of Peru's imports and one-fourth of its exports (about 1,050,000 TEUs).

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<https://cyanidecode.org/wp-content/uploads/2021/04/HebeiGlobalOceanSCSAR2020.pdf>

Afterwards, the cyanide is transported from the Callao Port by certified transport companies:

Beagle Shipping S.A. or by Transportes Meridian, S.A.C. to the Contrans S.A.C. certified warehouse, located 30 km from Port of Callao.

<https://cyanidecode.org/sig-directory-type/beagle-shipping-s-a-peru/>

<https://cyanidecode.org/sig-directory-type/transportes-meridian-sac-peru/>

<https://cyanidecode.org/wp-content/uploads/2021/04/ContransTranSAR2020.pdf>

Finally, the load is taken from the Constrans warehouse to the Mercantil warehouse (Almacenera Pacífico, S.A.C.).

<https://cyanidecode.org/sig-directory-type/almacenera-pacifico-s-a-c-peru/>


From Almacenera Pacífico, S.A.C. (hereinafter referred to as "ALPA"), cyanide is transported to the mining units by certified transport companies, such as DCR Minería y Construcción, S.A.C., Edewit, S.R. Ltda. And Consortium CITSSA.

<https://cyanidecode.org/sig-directory-type/dcr-mineria-y-construccion-s-a-c-peru/>

<https://cyanidecode.org/sig-directory-type/edewit-s-r-ltda-peru/>

<https://cyanidecode.org/sig-directory-type/consorcio-citssa-peru/>

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C.2- CHEMOURS NORTH AMERICAN SODIUM CYANIDE PRODUCTION & PACKAGING OPERATIONS

The chain of custody of sodium cyanide for Mercantil S.A. is as follows:

Chemours produces sodium cyanide and loads the product into hopper cars to transport it to the Lemm Corporation (a repackaging plant adjacent to Chemours) for filling into the semi-bulk Eco-pak and Bag-in-Box presentations. The sodium cyanide production at the Chemours plant and the semi-bulk packaging filling operations at Lemm Corporation are included in the Cyanide Code Production certification audit for Chemours and can be corroborated on the ICMI website.

<https://cyanidecode.org/wp-content/uploads/2021/04/ChemoursMemphisProdSAR2020.pdf>

Once the product is repackaged, it is loaded into containers. The company IMCG (Intermodal Cartage Company, Inc.) carries out the transportation from the Lemm Corp plant to the multimodal terminal of CSX Transportation in Memphis, Tenn., where responsibility for the transportation of the IMCG product is transferred to the company CSX Transportation for the transfer of the product via rail from the terminal in Memphis to the Port of Savannah in Georgia, USA.

IMCG Inc. is a company certified under the cyanide code protocols for the transport of said product. CSX Transportation was audited under the Due Diligence modality by an auditor approved by ICMI and was found to be in Full compliance according to the cyanide code; this is covered in Chemours supply chain certification status under ICMI protocols. Both reports can be verified on the Institute's page.


<https://cyanidecode.org/wp-content/uploads/2021/04/IntermodalSAR2017.pdf>

Once in port Savannah, GA; the containers are loaded by the Sealand company. The shipping companies that Chemours operates with have completed a Due Diligence audit by an ICMI approved auditor and were found to be in Full Compliance with the Cyanide Code. This is covered in the Chemours Supply Chain status. The report can be viewed on the ICMI website within the Chemours' Global Ocean Supply Chain & US/Canada Rail & Barge Supply Chain segment.

<https://cyanidecode.org/wp-content/uploads/2021/04/ChemoursOceanSAR2017.pdf>

Includes rail transport from Chemours' Memphis production plant to US ports of departure, cyanide management at the Ports of Everglades, Jacksonville, Long Beach, Los Angeles/San Pedro, Miami, New Orleans, Savannah and Seattle in the US, ocean carriers American Presidents Line (APL), Hamburg Sued, Maersk Line, Mediterranean Shipping Co. (MSC), Seaboard Marine and Hapag Lloyd and ports in Argentina, Belgium, Brazil, Chile, Dominican Republic, Ecuador, Guatemala, Jamaica, Honduras, Mexico, Nicaragua, Panama and Peru.

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Once in Puerto Callao, Mercantil S.A. takes custody of the product for its handling and delivery to its customers.

C.3- CYANCO INTERNATIONAL LLC

This plant, which supplies Mercantil, started operations in September 2012. It is in The Chocolate Bayou industrial park, which is operated by Ascend Performance Materials in Alvin, Texas.

CYANCO's cyanide plant is certified as indicated on the ICMI page:

<https://cyanidecode.org/wp-content/uploads/2021/04/CyancoHoustonSAR2020.pdf>

The supply chain provided by Cyanco Global Ocean, considers that the cyanide transported between the factory in Alvin Texas, and the Port of Houston, is provided by the company Action Resources (see first paragraph of page 2 of CyancoGlobalOcean link).

<https://cyanidecode.org/wp-content/uploads/2021/04/CyancoGlobalOceanSAR2018.pdf>

ActionResources carrier is certified by the IMCI Code.

<https://cyanidecode.org/wp-content/uploads/2021/04/ActionResourcesSAR2018.pdf>


CyancoGlobalOcean, has carried out due diligence verification (due diligence) in several shipping companies: Hamburg Sued, Maersk, Hapag Lloyd, Mediterranean Shipping Co. (MSC), CMA CGM, Compañía Sud Americana de Vapores (CSAV), Zim Lines, Seaboard, Intermarine and Grimaldi Lines, and the Port of Callao.

Port of Callao – Peru

The Port of Callao is located just 12 kilometers from downtown Lima and is Peru's primary commercial port. The Port of Callao is fully fenced and has strict access controls. Cyanco contracted a third-party ICMC auditor who is external to MSS to evaluate the Port of Callao in 2014. The auditor audited the port and concluded that port operations including storage and handling operations were in conformance with ICMC requirements.

During the initial on-site assessment, interviews were held with port personnel, procedures were assessed, storage and handling practices were observed, and records were reviewed. The remote evaluation confirmed that the information shown here is current, that Cyanco has not had any negative experiences with the port. Cyanco has concluded that the port is still suitable for cyanide storage and shipments.

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C.4- ORICA MINING SERVICES PERU S.A.

Mercantil cyanide purchases cyanide from the operation, certified by the Cyanide Code, Orica Mining Chemicals Box to Sparge Tank Transfer Facility, Ventanilla, Peru. The transportation is carried out by the company, certified by the Cyanide Management Institute (ICMI), DCR Minería y Construcción, S.A.C.

<https://cyanidecode.org/sig-directory-post/orica-mining-chemicals-box-to-sparge-tank-transfer-facility-ventanilla-peru/>

<https://cyanidecode.org/wp-content/uploads/2021/04/DCRMineriaSAR2020.pdf>

Cyanide is manufactured by Orica Australia Pty Ltd, Yarwun Production Facility, Australia, by an ICMI certified operation:

<https://cyanidecode.org/wp-content/uploads/2021/04/OricaYarwunSAR2020.pdf>

Orica's Australia Supply Chain includes transportation of liquid and solid sodium cyanide from *Orica's manufacturing facility in Yarwun, Australia*, by road and rail direct to its end point users within Australia and the Port of Brisbane and Melbourne and storage within the Toll Customised Solutions production facility in Laverton.

https://cyanidecode.org/wp-content/uploads/2021/04/OricaAustraliaSupChainSAR_Addendum2019.pdf


The Global Marine Supply Chain is a consolidation of all marine carriers and ports used by Orica to distribute their cyanide from Australia to their global customers. The Global Marine Supply Chain is the marine link between the certified Australia Supply Chain and the Latin America Supply Chain.

Orica's Global Marine Supply Chain was certified June 16, 2021 as including the shipping lines Maersk, Hamburg Sud, Mediterranean Shipping Company, Orient Overseas Container Line, Swire Shipping, Australia National Line, Pacific Asia Express, Naviera Ultrana Transmares, K Line, Mitsui OSK Lines, and Toll Shipping. It also includes the destination ports of Abidjan, Alma, Auckland, Brisbane, Buaenaventura, Buenos Aires, Burnie, Busan, Callao, Cartagena, Casablanca, Chalmers, Conakry, Dakar, Dar Es Salaam, Gladstone, Izmir, Jakarta, Klang, Lae, Laem Chabang, Mombasa, Monrovia, Nouakchott, Port of Sudan, Puerto Angamos, Puerto Deseado, Punta Arenas, Santos, Shanghai, Surabaya, Takoradi, Tauranga, Tema, Veracruz, and Walvis Bay.

<https://cyanidecode.org/wp-content/uploads/2021/06/OricaGlobalMarineSCSAR2021.pdf>

Orica's Latin America Supply Chain includes transportation of sodium cyanide within Peru, Argentina, and Colombia. Within Peru transport is by the certified transporters **APM or DCR Minería y Construcción S.A.C.**

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Cyanide is transported by ICMI Code certified trucking company **APM Terminals Inland Services S.A.** (APM), in 20-foot sea containers from the Port of Callao to APM's Terminal in Ventanilla, Callao, for customs clearance and interim storage. APM transports cyanide to Orica's Box to Sparge Tank Transfer Facility, located within APM's Terminal boundaries.

From APM's Terminal, cyanide is transported in sea containers to mining clients, by **DCR Minería y Construcción S.A.C.** (DCR), an ICMC certified company, as requested by **Mercantil, S.A.**

<https://cyanidecode.org/wp-content/uploads/2021/06/OricaLatinAmericaSupChainSAR2021.pdf>

<https://cyanidecode.org/wp-content/uploads/2021/04/APMTerminalsSAR2018.pdf>

C.5- UNID GLOBAL CORPORATION

Mercantil purchases cyanide from the manufacturer TaeKwang Industrial Co., Ltd. Petrochemical Plant # 3, located in Ulsan-city, South Korea, which is certified by the Cyanide Code.

<https://cyanidecode.org/wp-content/uploads/2021/04/TaeKwangSAR2020.pdf>

The UNID GLOBAL (formerly OCI Corporation) South America Supply Chain includes transport of cyanide from the production facility in the Republic of Korea to the Busan New Port by the certified transporters Hae Dong Logistics and SAM IK Logistics Co., Ltd., ocean transport by COSCO Shipping Lines Inc., and receipt and management of cyanide at the Port of Callao, Peru.

<https://cyanidecode.org/sig-directory-type/unid-global-corporation-formerly-oci-corporation-republic-of-korea/>

Hae Dong Logistics have conducted 1) Roadway transportation route from Taekwang Ind. Co., Ltd. Ulsan Petrochemical # 3 Plant to Busan New Port.

Taekwang Ind. Co., Ltd. Ulsan Petrochemical # 3 Plant in Ulsan > ChingRyung IC of Donghae Express Way > Haewoondae Tunnel > JangAn Bridge > Gwang An Bridge > Busan New Port.


2) Roadway transportation route from Taekwang Ind. Co., Ltd. Ulsan Petrochemical # 3 Plant to Ulsan Rail Center.

Taekwang Ind. Co., Ltd. Ulsan Petrochemical # 3 Plant > Ulsan Petrochemical Complex > Ulsan Rail Center.

<https://cyanidecode.org/wp-content/uploads/2021/04/HaeDongSAR2020.pdf>

SAM IK Logistics Co., Ltd., is transportation service provider contracted with sodium cyanide manufacturer, Ulsan Plant of TongSuh Petrochemical Co., Ltd. SAM IK LOGISTICS Co., Ltd. as a

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subcontractor of **Hae Dong Logistics**, has transported the sodium cyanide produced by Ulsan Petrochemical Plant # 3 of Taekwang Industrial Co., Ltd.

SAM IM LOGISTICS Co., Ltd. has transported the sodium cyanide from Ulsan Plant of TongSuh Petrochemical Co., Ltd. and Ulsan Petrochemical Plant # 3 of TaeKwang Industrial Co., Ltd to Busan New Port

<https://cyanidecode.org/sig-directory-type/sam-ik-logistics-co-ltd-republic-of-korea/>

C.6- Guangan Chengxin

Mercantil buys from the cyanide manufacturer Guang'an Chengxin Chemical Co., Ltd. However, this supplier is a signatory but not yet certified by the Cyanide Code. Designated for Certification: Not yet Certified.

<https://cyanidecode.org/sig-directory-type/guangan-chengxin-chemical-co-ltd-china/>

Note: Guangan Chengxin sodium cyanide was identified in the ALPA warehouse.

MERCANTIL indicates that "the last cyanide purchase from the factory in Korea was on September 5, 2021. The current stock from this supplier is reserved for a specific customer and will be dispatched in the upcoming months."


MERCANTIL has decided, in agreement with the commercial management, that no purchases will be made from this supplier until it has its ICMI certification. Once the supplier is certified, the process for inclusion in the supply chain certified by Mercantil S.A. will be carried out.

Likewise, to be aligned with the cyanide code protocols, the supplier selection, evaluation and maintenance procedure PR-ADM-04 was updated on November 30th, 2021, adding *section 2.2. Request for requirements and evaluation of potential suppliers (request for information), item 3*: "To be a supplier of the Sodium Cyanide supply chain, suppliers must have current certification from the International Cyanide Management Institute (ICMI). Therefore, this certification must be verified on the ICMI website."

<https://cyanidecode.org/worldwide-participants/signatory-directory/>

In addition, the supplier must belong to the supply chain indicated in the certification. In case a supplier is not included, its addition to the certified chain must be managed by means of the protocols indicated by the ICMI".

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Auditor’s Finding

This operation is

- ✓ in full compliance with the International Cyanide Management Code.

“This operation has not experienced any compliance issues or significant cyanide incidents during the previous three-year audit cycle.”

Auditor Information

Audit Company: Geosoluciones Panamá, S.A.

Lead Auditor: Jorge Efrén Chong Pérez

Lead Auditor Email: geosoluciones@cwpanama.net

Auditor 1: **Jorge Efrén Chong Pérez, Lead Auditor**
Name

Signature

Dates of Audit: October 19-20th, 2021

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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December 20th, 2021
Date

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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.

Transport Practice 1.1

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

MERCANTIL, as a consignor, has procedure PR-OP-07, updated to July 16, 2021, in place to evaluate and select routes and the components of the transportation supply chain necessary for transportation on those routes, as well as the included warehouses.

The procedure includes objectives, scope, responsibilities, technical requirements, risk analysis of the routes, responsibilities during transport, sixteen evaluated routes, details of the operational discipline required of the members of the convoy, delays in the route, selection of places for cases of unplanned arrests, audits of the members of the supply chain and a summary of the Emergency Plan, which is detailed in a separate document.

In section 2.1.1 of the cyanide transportation procedure, the route analysis is considered. This analysis contemplates the characteristics of the roads, waterway crossings, crossing through populated places, transit through environmentally sensitive areas, aid resources along the way, state product control agencies, and any other aspect of interest that contribute to the safety of the trip.

In section 2.2 of Mercantil's transportation procedure, a risk parameter format is indicated on which the routes developed and future routes to be developed are based.

In section 2.3 of the transportation procedure PR-OP-07, the way in which the preparation and updating of the route analysis is carried out is indicated.

A tour of the route must be carried out during which the indicated criteria are evaluated. This assessment is documented in a roadmap. The warehouse and distribution manager, Mercantil S.A. HSEQ manager, and the transportation company participate in the route. The waybill is updated when relevant changes or conditions that may represent a risk in transportation are recorded in the reports.

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The transportation provider must periodically reevaluate the route, which will be verified in the different audits or reviews. If necessary, Mercantil will carry out the reevaluation of the route, in a tour of the original route with the people indicated above.

The managers of HSE-Q, Rosa Ordoñez and Giancarlo Mota, were interviewed. They stated that the requirement is met. During the audit there were no drivers to be interviewed.

Section 2.14 establishes that Mercantil will annually audit the logistics operator (Almacenera Pacifico S.A.C.) and the transportation system.

Mercantil S.A. can audit compliance with this system, communicating to the logistics operator (Almacenera Pacifico S.A.C.).

The route evaluation is carried out by observing the operators and drivers of escort vehicles. There have been no changes in the routes in the last 3 years.

In section 2.7.2, of the transportation procedure, Inductive and Motivational talks are requested:

The talks on the management of sodium cyanide should be given only by the Convoy Leader, before starting each day of the trip. All drivers, support personnel, supervisors of the transport company assigned to the trip must attend the talks. The theme of the pre-trip talks are exclusive to the Convoy Leader, according to the needs that he deems necessary, but the characteristics of cyanide and the basic guidelines of emergencies on the route must always be remembered.

After the talk, the driver must sign the form FO-OP-20 Accreditation of drivers for the transport of Cyanide.

All MERCANTIL carriers are certified by the Cyanide Code, and they are also required to periodically reevaluate the routes.

Among the routes used are:

- From Port of Callao to Contrans warehouse
- From Contrans warehouse to ALPA Warehouse

And from the ALPA warehouse to the mining units:

- Route Alpayana S.A.
- Route Compañía Minera Caraveli S.A.C.
- Route Compañía Minera Raura S.A.
- Route Compañía Minera Corire S.A.C.
- Route Empresa Administradora Cerro S.A.C.
- Route Empresa Minera Los Quenuales S.A.
- Route La Arena S.A.
- Route Minera Irl S.A.

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- Route Minera Sotrami S.A.
- Route Minera Titan Del Peru S.R.L.
- Route Minera Veta Dorada S.A.C.
- Route Minsur S.A.
- Route Nexa Resources Peru S.A.A.
- Route Óxidos De Pasco S.A.C.
- Route Shahuindo S.A.C.
- Route Sociedad Minera Corona S.A.
- Volcan (Planta de Óxidos), virtually always there are three isotanks.

In addition to each Cyanide Code certified carrier evaluating its route, the routes are also verified in the different audits or reviews. If necessary, Mercantil will carry out the reevaluation of the route on a route along the route, as indicated in section 2.3 of the PR-07-OP transportation procedure.

If necessary, Mercantil will carry out the reevaluation of the route, in a tour of the original route, as indicated in section 2.3 of the PR-07-OP transportation procedure.

Mercantil requests its supply chain to submit a travel report for each transport procedure.

In section 2.6.2 ordinals 16 and 17, Mercantil requests that:


16. Upon arrival on the trip, the leader of the convoy must write down his observations and / or comments on the route in his travel log, specifying the date and comments on the route if there are abnormalities. From this, a travel report emerges that will be sent to Mercantil S.A.

17. From the information obtained from the report of the Convoy supervisor, the evaluation of the route, contained in this procedure, will be updated. This system is subjected to continuous improvement.

Mercantil has sent letters to government institutions in the event of a spill, incident or emergency in the transport and storage of sodium cyanide. The auditor verified the delivery to the agencies involved of the sodium cyanide safety sheet and emergency sheet, so that they are aware of its content and the toxicological characteristics of the product, in 2020 and 2021. In 2020, it was only sent to the fire brigade.

Mercantil also indicates in the communications that it offers training and information exchange aimed at an effective and timely emergency response, in the event of a possible poisoning, spill or contamination event. Mercantil requests to send comments to coordinate the trainings to the emails: gmeta@alpa.com.pe, rordonez@mercantil.com.pe and to the telephone number: (511) 618 - 1616.

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In section 2.5 of the transportation procedure PR-OP-07, ordinal 12, the convoy is required to include one or more vehicles as an escort, at the request of Mercantil or the Client.

Mercantil contracts transport companies certified by the Cyanide Code.

Company	Operation	Certification date	ICMI Website
DCR Minería y Construcción	Transportation	August 12th, 2020	https://cyanidecode.org/wp-content/uploads/2021/04/DCRMineriaSAR2020.pdf
EDEWIT	Transportation	July, 12th, 2017	https://cyanidecode.org/wp-content/uploads/2021/04/EdewitSAR2017.pdf
Transportes Meridian	Transportation	January 10th, 2020	https://cyanidecode.org/wp-content/uploads/2021/04/TransMeridianSAR2020.pdf
Beagle Shipping	Transportation	September 21th, 2020	https://cyanidecode.org/wp-content/uploads/2021/04/BeagleShippingSAR2020.pdf
Contrans	Supply Chain	May 22nd, 2020	https://cyanidecode.org/wp-content/uploads/2021/04/ContransTranSAR2020.pdf
Almacenera Pacífico	Supply Chain	August 9th, 2018	https://cyanidecode.org/wp-content/uploads/2021/04/ALPASupChainSAR2018.pdf
Consortio CITSSA	Transportation	August 8th, 2018	https://cyanidecode.org/wp-content/uploads/2021/04/CITSSAInvestmentsSAR2018.pdf

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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.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.2

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Section 2.6.1 of the transportation procedure in its ordinal 2, requires the driver to have the respective driver's license that qualifies him for the type of cargo and truck to be used and to be trained by his employer for the type of assigned work.

Training records of CITSSA companies in Defensive Management were reviewed, as well as their annual training program, and a summarized semi-annual report required by Mercantil, in which the 17 training sessions that were given during the first semester of 2021 were detailed.

The company Beagle Shipping provided evidence of the trainings in a summary report of 25 pages in which the content of the trainings is shown, and captures of computer images related to virtual trainings carried out to its personnel.

Training records of the Meridian company, DCR, and EDEWIT, on cyanide management, as well as emergency management were reviewed.


Regarding driver's licenses, documents from Edewit, Meridian, Contrans and CITSSA were reviewed and found in force. All were granted by the Ministry of Transport and Communications of Peru, as required by law.

Mercantil requires that each element of its supply chain have a training matrix, which considers a syllabus on Cyanide management.

As an auditor, I attended a standard audiovisual presentation that is provided by Mercantil to all its carriers and its personnel involved with cyanide.

Mercantil subcontracts handling Storage Operation and Transport Operations to companies certified by the ICMI Code.

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Transport Practice 1.3

Ensure that transport equipment is suitable for the cyanide shipment.

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:

The transport procedure PR-07-OP in section 2.5 establishes that the transport company must be certified under the transport protocol of the International Cyanide Management Code. Otherwise, they must notify and proceed under the guidelines of the cyanide code protocols.

The transport company will have its own trucks. Trucks and chassis must be suitable for the transportation of containers authorized by the Ministry of Transport and Communications to circulate on public roads.

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The platforms will be of the conventional type or of the low bed type, according to the conditions agreed between Mercantil and the carrier.

Before carrying out a transport process, the head of transport and distribution requests the units and verifies the property cards, which contain the technical specifications of the vehicle.

Mercantil has a contractor selection procedure. The first requirement is that the company is certified by the Cyanide Code.

Trucks older than three (03) years must be evaluated and diagnosed by an independent mechanical service, which declares them qualified for the service they are hired. Trucks and chassis will be on a preventive maintenance program.

Trucks and chassis must be suitable for the transport of containers authorized by the Ministry of Transport and Communications to circulate on public roads, whose maximum load is 20 tons.

All authorizations issued to transport vehicles are on the online website, where it is verified if the vehicle meets the requirements.

Before the vehicles are loaded, Mercantil verifies the certificate of load capacity on the property card so that the load does not exceed what is established.


Additionally, on the routes used by transportation vehicles, there are weight and size control points established by the Ministry of Transportation and Communications.

In each transport process, there are remittance documents from the sender, shipping guides, together with the load capacity of the transported product.

Mercantil maintains personnel in charge of inspecting transport vehicles alongside personnel from the contracting companies before they are loaded and afterwards.

The lifting equipment (telehandler) is inspected by both Mercantil and Almacenera Pacifico before each use. The annual maintenance plan for the telehandler was verified, as well as evidence of preventive maintenance including greasing, filter changes, alternator power strips, and checking of hydraulic hoses.

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Mercantil subcontracts the storage operation and the transportation process to companies certified by the Cyanide Code.

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Transport Practice 1.4

Develop and implement a safety program for transport of cyanide.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Mercantil requires its supply chain that only ONE (01) container can be loaded per platform and each header can only drag one chassis. All containers must be secured with their security seals.

The convoy will only travel during daylight hours and weather conditions will be considered. The Convoy Leader will evaluate the safety of the route in each case. He is able to stop the convoy if, in his opinion, the conditions do not allow safe transit.

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Mercantil reviews the condition of the containers alongside the carrier, in order to verify that they are suitable for the trip. They verify that no holes are present in the containers and that they are attached to the cart.

HSE inspectors Julinho Ramos and Enrique Cano were interviewed. They corroborated the performance of the equipment inspection procedure together with the cargo.

Section 2.5, ordinal 11 of the PR-07-OC transportation procedure establishes that transportation vehicles must be marked on all 4 sides with the NFPA diamond: UN 1689, Hazard Class 6. This is required by the Supreme Decree No. 021-2008, of the Ministry of Transport and Communications, which tests the national regulations for land transportation of hazardous materials and waste.

Section 2.6.2 of the transportation procedure establishes the functions of the Convoy Leader (the sole responsible for the development of transportation) to inspect, alongside the driver of the inspected vehicle, each truck before it is loaded.

Additionally, Mercantil maintains permanent personnel at the loading and unloading sites of its warehouses to inspect the equipment before departure and during loading in warehouses.

Mercantil requires that its entire supply chain has a preventive maintenance program and visual inspections before carrying out the transport process.

Mercantil requires each member of its supply chain to have a preventive maintenance program and perform visual inspections prior to the transportation process.


The auditor reviewed samples of documents that evidence preventive maintenance of transporter CITTSA LOGISTICS, S.A.C. This company maintains a contract with the SCANIA vehicle company, for the maintenance services of its units since 2008.

A review of the documentation of DCR Minería y Construcción, S.A.C. shows that minor preventive maintenance is carried out in the company's own workshop. Major services of its units are performed by the VOLVO and SCANIA dealerships. Additionally, it was verified that MERCANTIL guarantees maintenance, demanding the delivery of maintenance programs.

MERCANTIL in its annual audits verifies the planning and execution of preventive maintenance.

Transport companies have different forms to plan their maintenance and execute them. EDEWIT, for example, develops individual files in the workshop for each unit in which a complete checklist is documented, from which preventive maintenance is generated; including escort vehicles.

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In section 8 of the PR-07-OP transportation procedure, it is established that each driver must have rested at least eight (08) hours before the start of each trip, considering at least 7 continuous hours of sleep. Drivers must not drive more than twelve (12) cumulative hours in a 24-hour period.

In section 9, it is established that during the trip, the convoy must stop every two (02) hours approximately, for ten (10) minutes, so that the driver can check his equipment and rest.

Section 2.9 establishes that containers and cargo are inspected so that they do not displace.

Similarly, the carrier cannot split any shipment. Sodium cyanide must not be deconsolidated from the container that takes it from the warehouse to the place indicated by the customer. Therefore, the platform truck assembly must withstand the total weight and comply with the law of maximum weights per axle.


In section 2.7.1 on preparation before transport, it is established that before receiving the order to load the warehouse, the leader of the convoy must ensure that the route to be followed is enabled and there are no obvious social or political conflicts during the trip. . If there is evidence of conflicts, the trip must be suspended, communicating the decision to Almacenera Pacifico S.A.C. and Mercantil S.A.

In section 2.10 of the transport procedure, about the movement of the product, it is established that while a trip with cyanide is in progress, the supervisor or person in charge of the convoy informs by telephone the Central Control of the transport company, the degree of progress of the operation and any novelty, in each of the points mentioned in the itinerary, as well as any event that requires the stop of the convoy.

Mercantil has and implements in its supply chain a policy of no alcohol or drugs, PO-GG-02, in which the consumption of drugs that alter the normal behavior of the worker is prohibited.

All inspection activities before loading the transport vehicles, preventive maintenance, development of the transport process, alcohol tests, cargo verification, are documented by the transport companies, which send the trip reports to Mercantil, with this information.

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Mercantil establishes the guidelines and procedures for its contractors to comply with items 1, 2 and 3 of transport practice 4.

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Transport Practice 1.5

Follow international standards for transportation of cyanide by sea.

in full compliance with


The operation is in substantial compliance with Standard of Practice 1.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

For transportation operations carried out by Mercantil, standard practice 1.5 does not apply, regarding “the requirements of the Dangerous Goods Code of the International Maritime Organization.”

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All of Mercantil's suppliers are responsible for implementing the Dangerous Goods Code (DG) of the International Maritime Organization (IMO) (2018 Edition, Amendment 39), on transport of cyanide by sea, and must be certified, as well as its entire supply chain, by the ICMI Code.

Transport Practice 1.6

Track cyanide shipments to prevent losses during transport.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.6

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

In accordance with the provisions of Mercantil, while a trip with cyanide is in progress, the supervisor or person in charge of the convoy informs by telephone or by WhatsApp to the Central Control of the transport company, the degree of progress of the operation and any news, at each of the points mentioned in the itinerary, as well as any event that requires the stop of the convoy. The information obtained by the Central Control Center is then sent by mail to Mercantil S.A. / Almacenera Pacifico S.A.C., as soon as possible.

According to an interview with Rosa Ordoñez, head of HSE-Q, carriers report to Mercantil at least three times a day. They have means of communication such as satellite phones, communication radios and cell phones, which is of compliance during the pre-trip inspection.

All carriers used in Mercantil's chain have a GPS system, which provides permanent real-time location during each transportation process. For this reason, the selection procedure of the carrier companies includes testing their equipment in the checklists to be carried out before each trip.


Mercantil performs an inspection according to a checklist before each loading process to make sure that the carrier has communication equipment in proper working order.

During the journey, the emergency elements and the status of the units are verified at various points along the route. The records are shared among those involved.

Some segments of the transportation routes are out of range of mobile networks. Therefore, all carriers in the Mercantil chain have satellite telephones. The transporters' checklist includes making a test call to the mine, as required by the mines.

Mercantil receives the traceability of the convoy's location, at least every 2 hours. The carrier "Beagle," given the traffic density, sends its location to Mercantil every 30 minutes.

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Each transport company belonging to the MERCANTIL chain, sends a final consolidated report detailing the progress of the load along the route with its location.

The auditor reviewed 18 travel reports with their respective positioning system.

Mercantil, requires its carriers to maintain the Sender's Referral Guide prepared by the billing assistant, and to frequently check the seals throughout the transportation process.

Similarly, the government of Peru, through the National Superintendency of Customs and Tax Administration (SUNAT), maintains control routes on transport routes.

Before receiving the loading order from the warehouse, the Convoy Leader must have the following documentation:

a) Remittance reference guide - sender. (Billing Staff of Mercantil, S.A.)

b) Remittance reference guide - carrier.


The amount of cyanide that will be transported must be indicated in these documents. Additionally, the MSDS Safety Sheet, which is strictly enforced in Peru, must accompany the cargo at all times.

In each checklist of each transport vehicle, including the mechanical condition and emergency equipment checklists, the possession of the remittance reference guides of the sender and the carrier is checked.

Similarly, for each cyanide entry into the warehouse, after transportation, a detailed report on the status of the cargo and the transport vehicle is generated.

Mercantil has established in its transportation procedure that all its contractors comply with the requirements of the Cyanide Code. Its entire chain of carriers and warehouses are certified by the Code.

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Principle 2 | INTERIM STORAGE

Transport Practice 2.1

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

in full compliance with


The operation is in substantial compliance with Standard of Practice 2.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

This practice is not applicable. MERCANTIL within the supply chain hires CONTRANS and ALPA as distribution warehouses.

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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.

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

MERCANTIL has an emergency response plan (Emergency Response Plan for Cyanide transportation) PL-OP-03. It has nine (9) sections and three (3) appendices, with scope to address spills and poisoning.

“A new modality of MERCANTIL is that currently the implementation of the Emergency Response Plan, including the inspection of the ISO tanks, is carried out by members of the fire brigade, whereas before it was the function of risk preventionists.” This information was provided by head of HSE-Q Rosa Ordoñez, in an interview.

MERCANTIL in its Emergency Response Plan has broken down the route between the warehouses contracted by Mercantil S.A. from where the convoys will leave, up to the access to the Client's premises.

This breakdown has been made based on the indicated parameters and the danger of each one of them. It includes traffic density, populations, sensitive scenarios, status and capacity of bridges, watercourses, weather conditions, the potential for landslides, state of the roads, design of roads, altitude, intersections, detours, and risks due to social conflicts.


From these considerations, the places with the highest probability of accidents have been highlighted, as well as the scenarios that indicate catastrophic risks, and categories of probability of risks during the transport process have been established, for companies in the supply chain.

Sodium Cyanide (NaCN) is a white crystalline solid available in briquette or grain form.

The briquettes are uniform in shape, with an average weigh of 18 g and dimensions of approximately 3.5 x 2.8 x 1.8 cm (1 3/8 x 1 1/8 x 3/4 in.). They are resistant to breakage and do not generate dust. They are easy to shovel and soluble in water.

The grains are irregularly shaped particles, specially designed to generate minimal dust, and that pass 80% through a 3/8 in. mesh. and a maximum of 3% through USS No. 50 mesh.

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Solid sodium cyanide comes in the following presentation: Big bags x 1000 kg / containers x 20 ton

In section 2.3 the physical properties of sodium cyanide are expressed, such as melting point, boiling point, specific gravity, thermodynamic properties.

In Appendix A, the MSDS of the transported products are indicated, as provided by the suppliers.

Section 2.5 details the different cyanide packaging:

a) Bag/boxes. They consist of a series of waterproof bags, designed for export with a gross weight of 1000 kg (2205 lb).

b) Tuff-pak with pinch-bottom. A tuff-pak is a 20 kg pinch-bottom, multiwall composite bag. When loaded with cyanide, the bag is hermetically sealed and is water resistant. The bags are packaged in a wooden box and the net weight of the box is nominally 960 kilograms, which equates to 48 tuff-paks. The bags are not sold separately and are non-returnable. (from Cyanide Handbook, 2009).

c) Non-returnable steel drum: It is a sealed drum with a removable lid. The drum is designed for export with a net weight of 50 kg.

In the Emergency Response Plan, MERCANTIL considers the following factors:


- Configuration of the transport vehicle and packaging arrangement for the selected routes.
- The role that each member of the convoy must assume, including the bodyguards, and the interaction with the authorities,
- The distance to medical care facilities.
- Possible incidents associated with the transportation process.

MERCANTIL requires that each member of its supply chain carry out a baseline or risk characterization profile on the route before starting a new transportation process. This risk characterization is an active procedure, fed by the information obtained from the continuous communication during the transportation process.

The supply chain transport company is responsible for sending reports on the progress of the route on a regular basis and/or in accordance with the agreement made with the client. This can be done through WhatsApp, calls to control centers, emails. In the event that these reports are not received as agreed with the client, the escort supervisor will be contacted to indicate the reason for the delay in the report, to take corrective action.

These reports provide feedback on current road conditions and allow positive modifications to the Emergency Response Plan.

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MERCANTIL requests that all transport vehicles in its supply chain comply with a maximum load capacity of 22 tons, in accordance with Supreme Decree No. 021-2008-MTC (Ministry of Transport and Communications) and Supreme Decree No. 058 -2003- MTC, from Peru.

In the event of an emergency, the driver and convoy manager are responsible for securing the affected area, identifying risks, and notifying the appropriate people.

The transport company must comply with the logistics requirements requested by MERCANTIL, who will coordinate with them throughout the whole process. The transporter will apply corrective actions to minimize the impact of the accident on people and the environment, investigate the causes of the accident, notify the insurance (insurance policies), the corresponding organizations, and monitor actions.

MERCANTIL's staff is involved in providing assistance from specialized groups and facilitating relationships and communication between the parties affected by the accident. Additionally, it must support the arrangements that the coordinator in the field demands for his/her functions. Another important activity is the interaction with the Crisis Committee, the press, and the national authorities. Public relations will be coordinated with the Management of Mercantil S.A.

The Emergency Response Plan consists of an emergency organization chart, in which those responsible for the implementation of the actions are designated. There is someone in charge of communications and liaison with the Government. Another person oversees procurement and transportation of the materials and services needed by the members of the response team to clean up the accident with cyanide efficiently and effectively.


The Emergency Plan categorizes and describes the types of incidents in section 5.3:

- Accident with no injured people.
- Mechanical problems.
- Rollover with spillage.
- Rollover without spillage.
- Truck caught in fire.
- Crash with injured/not injured people.
- Dry spills, cleaning, and decontamination.
- Response to fires: early-stage fires, and major fires.
- Spill in water: cleaning, and decontamination. Main actions in case of accident.

In section 5.11 of the Emergency Response Plan, it is considered:

- First aid for cyanide poisoning: rescue procedure and poisoning symptoms.
- First aid in case of cyanide inhalation.
- Attention in case of cyanide ingestion.
- Attention in case of skin absorption of cyanide.

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MERCANTIL maintains an agreement of intent with IFSEC PERU, which is a second response contractor company with the capacity to attend incidents in six (6) hours, anywhere in Peru.

MERCANTIL has established response levels depending on the amount of cyanide involved in the accident.

Level 1, incident with cyanide up to 20 tons, dry: the first response is attended by the carrier itself and the second response by the contractor and local consultants.

Level 2, incident with cyanide in water courses and of more than more than 20 tons: In this case, government response teams (Civil Defense and Firefighters) and external Contractors would intervene.

In section 4.2.4, firefighters are indicated among the external resources to attend an emergency for the total control of the response to the accident at the scene of the events. Their scope of responsibility is to execute the tasks entrusted by the coordinator in the field, such as the collection and cleaning at the scene of the accident involving cyanide.

Firefighters will ensure that the assigned responsibilities are carried out and that there is coordination between team members and the communities in the vicinity of the incident.

Likewise, MERCANTIL has contacted support agencies along the route for emergencies, such as MinSur and Health Care facilities.

Transport Practice 3.2

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.2


not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Section 8.3 indicates the topics covered in the trainings:

- a) The properties of cyanide
- b) Personal safety
- c) Safe handling of sodium cyanide
- d) Safe transport of sodium cyanide
- e) Safe storage of sodium cyanide
- f) Response to fire near sodium cyanide
- g) Medical emergencies
- h) Environmental emergencies

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In section 8.3 of the Emergency Response Plan, MERCANTIL requires that everyone involved in its supply chain continuously strengthens their knowledge through a training schedule. Additionally, before each departure of a convoy, the characteristics of the trip and the cargo to be transported are reiterated to the personnel of the transport company and escorts.

MERCANTIL and ALPA presented the Auditor with an example of a standard training program on cyanide poisoning case management with full content.

During the audit, training records on hazardous materials, part I and part II (some of the courses taught by external companies) were reviewed. The annual refresher trainings have a workload of 4 hours each, and address topics such as Emergency Response and training to treat cyanide poisoning.

In section 3. of the Emergency Response Plan a flowchart of communication and actions in the event of emergencies is indicated.

At the beginning of an incident, the Convoy Leader will act as the person in charge of the First Response Brigade, for the assurance of the scene, the control of vehicular traffic, the care of the injured, as well as the containment and recovery of spilled product.

The transport company must attend the logistical requirements that are requested by MERCANTIL, who will coordinate and apply the corrective actions to minimize the impact of the accident on people and the environment, investigate the causes of the accident, notify the insurance (insurance policies), to the corresponding organizations and monitor the actions.


The staff of Mercantil S.A. It is involved in providing the assistance of specialized groups and facilitating relations between the parties affected by the accident, and it must also support the efforts that the Coordinator in the field demands for its functions. Another important activity is the interaction with the Crisis Committee, the press and the national authorities. All communication will be coordinated with the Management of Mercantil S.A.

Upon arrival of the Emergency Brigade, control is assumed by IFSEC-Peru.

In the second response, IFSEC PERU takes charge of emergency care actions.

Section 4.3 of MERCANTIL's Emergency Response Plan requires escort vehicles and trucks to have a set of equipment and materials that allows them an immediate response to emergencies, among which are: warning signs, bags for collect waste, personal protective equipment.

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Assistance team for the injured or intoxicated:

Basic first aid

Manual artificial respirator

1m3 oxygen unit, with accessory regulator.

Cyanokit box and 200 ml Sodium Chloride bag.

Accessories for immobilization

During the transportation process it also includes:

Vehicle GPS

Alcohol test equipment

Oximeter

Blood pressure instrument

Communication radios

Mobile phone

HCN gas detector


Before each cyanide transport vehicle is loaded, MERCANTIL personnel inspect the cargo vehicles, including the escort vehicle, ensuring that there is emergency response equipment, as well as personal protective equipment during transportation. From this inspection, a record is generated that is part of the final trip report.

The auditor reviewed travel reports in which the verifications that the transport vehicles have emergency response equipment, in good condition and an instrument for measuring hydrocyanic gas with current calibration, are recorded.

Additionally, the trip report includes the signature of all the drivers who are members of the convoy, certifying that on their part they have also inspected the emergency response teams.

MERCANTIL does subcontract this cyanide transport operation.

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Transport Practice 3.3

Develop procedures for internal and external emergency notification and reporting.

✓ in full compliance with

The operation is in substantial compliance with Standard of Practice 3.3

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is a notification system and communication flow in case of emergencies, which begins with the Convoy Leader, leading to the MERCANTIL HSE-Q manager, the client or mining unit, local communities-authorities, the police, health centers/hospitals in the emergency sector, firefighters and IFSEC PERU, if necessary.

In section 5.4 of MERCANTIL's Emergency Response Plan, a form was standardized in which the sequence to be followed and the necessary data in an emergency is detailed.

Per the interview with Rosa Ordoñez, head of HSE-Q, MERCANTIL periodically review the telephone contact numbers. At the same time, MERCANTIL has appointed firefighters (Jorge Almeyda Huapaya and Paulino Aranguena Cáceres) with responsibilities for inspection of transport vehicles and verification of compliance, who interact with the companies in obtaining updated contact information.

In Peru, emergency phone numbers 105 and 116 have been approved for the police and the firefighters, respectively, nationwide.

In Appendices 1 and 2 of the Emergency Response Plan version of July 14, 2021 (the latest version), the phone numbers of the clients (mining units) and the suppliers are indicated.

In section 3.2, all the phone numbers of all the health care centers on the established routes, the police stations are presented. The phone numbers of the emergency contacts of all the subcontractors are also included.

MERCANTIL has developed the PR-SIG-09 procedure to ensure that all accidents and near misses are reported and investigated immediately to make the respective corrections. In section 1.3.2 d), the concept of a "significant cyanide incident" is defined:

"d. Significant Cyanide Incident: Significant cyanide events are considered to include any of the following events: a) Human exposure requiring action by an emergency response team, such as decontamination or treatment; b) A disallowed discharge that enters natural surface waters, on-site or off-site; c) A disallowed release that occurs off-site or migrates off-site; d) An on-site release that requires action by an emergency response team; e) A transportation incident that

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requires an emergency response due to cyanide release; f) A multiple wildlife death event in which cyanide is known or believed to be the cause of death; and g) Cyanide theft. "

Section 2.2 details the specific procedure for reporting to ICMI:

- Notification of a Significant Cyanide Incident in any of a signatory's operations that fall within the scope of the Cyanide Code and that are included in Part II of their signatory request must be provided to ICMI within 24 hours following its occurrence. It must include the date and nature of the incident, as well as the name and contact information of a company representative to respond to requests for additional information. Further relevant information, such as root cause, health, safety and environmental effects, and any mitigation or remediation carried out is requested within seven days of the incident.
- Notification must be submitted in writing by email or fax to ICMI at info@cyanidecode.org and + 1-202-835-0155.
- It is recommended to still notify ICMI even if there is any doubt as to whether the incident meets the ICMI criteria for a significant cyanide incident.

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Transport Practice 3.4

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:


The Emergency Response Plan, in section 5.7, describes a step-by-step procedure for recovering, handling, and disposing of the cleaned waste for cases of dry spillage, and its corresponding decontamination. The actions to be taken in the event of upcoming rain are indicated. The spilled product must be covered with an impermeable blanket and contact between cyanide and water must be prevented by diverting the water. Lime is used to increase the pH to a value greater than 11, and then Sodium Hypochlorite at 5% is added.

Similarly, section 5.9 of the Emergency Response Plan addresses the remediation procedure in the event of a spill in water, taking into consideration measurements of the affected water body. Decontamination and handling of the personal protective equipment used are included.

MERCANTIL's Emergency Response Plan, in section 5.9, refers to the fact that the application of a chemical such as (hypochlorite, peroxide, ferrous sulfate, etc.) is limited only to dry spills and in cases in which the spill is limited to a closed body of water, puddles, pools, etc., at the discretion of the GROUND COORDINATOR.

A detoxifier must never be applied to an active, moving watercourse that has biodiversity, or that represents a risk to people.

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

✓ in full compliance with

The operation is in substantial compliance with Standard of Practice 3.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Section 9 of MERCANTIL's Emergency Response Plan establishes that the Emergency Response Plan will be updated whenever there are changes, in terms of procedures, responsible people, phone numbers, routes, equipment, methods, or any other consideration that allows MERCANTIL to be more effective and efficient.

Those responsible for these modifications will be the parties involved, especially the members of the supply chain, who, through their travel reports, provide feedback on experiences for continuous improvement.


Due to the COVID-19 outbreak, the Peruvian government suspended the execution of drills and simulations approved by R.M. N ° 023-2019-PCM as long as the Declaration of a State of National Emergency is in force due to the serious circumstances that affect the life of the Nation.

Despite the circumstances, MERCANTIL's supply chain has continued to plan and run drills. Drill samples from 7 companies in the supply chain were reviewed, 5 of them related to spill incidents and 2 related to intoxication. The police, firefighters, the respective municipality, and the client were involved in the drill of one of the companies in the chain.

One of the recommendations resulting from one of the drills related to intoxication referred to the presence of the paramedic or doctor in order to provide recommendations for the action.

In section 2.5 of the procedure PR-SIG-09 "Incidents and Accidents", it is established that through ordinary meetings of the Occupational Health and Safety Committee (CSST in its Spanish acronym), the implementation of preventive/corrective measures against incidents/accidents will be monitored, and that modifications will be applied if necessary (as long as they are well founded and are duly registered in the Minutes Book of the CSST). The last revision of this document was on October 7, 2021, in which the procedure for reporting to ICMI is included in section 2.2.

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