



The CODE

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Welcome to the International Cyanide Management Institute's (ICMI)
First Quarter 2015 Cyanide Code Newsletter.

As of January 1, 2015, the Cyanide Code had 171 signatory companies representing 322 operations in 51 countries. Signatory companies include 41 gold mining companies, 21 cyanide producers, and 109 cyanide transporters. A total of 231 operations had been certified in compliance with the Cyanide Code, including 93 gold mines, 29 cyanide production facilities and 109 cyanide transporters. Nearly 57% of these (131) had been audited multiple times and found to have maintained compliance over two or more three-year audit cycles.

Understanding the Cyanide Code Audit Process

The Cyanide Code provides gold mining companies, cyanide producers and cyanide transporters with a guide for implementation of best practices for cyanide management. Companies that become signatories to the program publicly demonstrate their compliance with Cyanide Code requirements through the program's audit and certification process. This independent and transparent verification of an operation's compliance with the program is essential for the Cyanide Code's credibility and critical for stakeholder acceptance of Cyanide Code certification as the benchmark for responsible cyanide management.

The Cyanide Code's audit process consists of the following key elements:

Auditors: Cyanide Code certification audits must be conducted by one or more individuals meeting ICMI requirements for *lead auditors and technical expert auditors*. ICMI maintains specific [criteria for auditors](#). The lead auditor must be certified as a professional health, safety or environmental auditor by an organization meeting ICMI requirements. The technical expert auditor must have at least seven years of experience in the industry being audited (gold mining, chemical production or hazardous goods transport). This combination of auditing expertise and in-depth technical knowledge ensures that Cyanide Code certification audits are conducted in a professional manner and that audit findings are based on an accurate and detailed understanding of the operation being audited.

Auditors for Cyanide Code certification audits are selected and hired by the signatory company or operation to be audited. ICMI maintains [a list of auditors](#) who are pre-approved for certification audits, but these audits may be conducted by other auditors as long as they meet the applicable criteria.

Certification Audits: The site-inspection portion of a certification audit must be completed within three years of the date that an operation is designated for certification. A Cyanide Code certification audit consists of a comprehensive

inspection of the operation, detailed reviews of management plans and records of various activities such as equipment maintenance, monitoring and training, as well as interviews with appropriate personnel. Auditors evaluate the operation's implementation of each of the Cyanide Code's Standards of Practice, Production Practices or Transport Practices, as applicable, and determine the facility's compliance with each Practice and with the entire Cyanide Code.

Audit Reports: The lead auditor must submit a Detailed Audit Findings Report and a Summary Audit Report to ICMI within 90 days of completing the site inspection part of a Cyanide Code certification audit. The Detailed Audit Findings Report must provide complete responses to all relevant Verification Protocol questions that present the evidence and rationale for each compliance finding. The Summary Audit Report must summarize the information in the Detailed Audit Findings Report but must also include sufficient detail to demonstrate that the audit evaluated all potential issues and that the compliance findings are well-supported and consistent with the program's intent.

Completeness Review: The lead auditor of a Cyanide Code certification audit, not ICMI, decides whether an operation is certified in compliance with the program, but ICMI plays an essential role in the process by reviewing audit reports for completeness. ICMI's Completeness Review is intended to ensure that the report provides all necessary information but it does not address the substantive issues of Cyanide Code compliance, which is the auditor's responsibility. Audit reports are reviewed to confirm that all relevant questions have been answered and that sufficient details are provided to support the auditor's findings. Missing information, unsupported findings, evaluations that are inconsistent with the Cyanide Code and its guidance documents, and other similar deficiencies are identified, and results are provided to the lead auditor and the audited facility with a request to resubmit a revised report to ICMI within 30 days. This review and revision process continues until ICMI accepts the audit report as complete.

ICMI's Completeness Review is a quality control mechanism. It assures that an auditor's certification decisions are consistent with the Cyanide Code and supported by appropriate information. It also promotes consistency among the certification decisions made by different auditors at facilities operating in various countries and diverse environments.

Audit Results: Once it accepts a certification audit report as complete, ICMI announces the compliance findings and posts the Summary Audit Report on the Cyanide Code website along with the names and credentials of the auditor(s). ICMI is not aware of any similar voluntary best-practice certification program with this high level of transparency.

Further details on the Cyanide Code's audit/certification process can be found in the [Cyanide Code Signatory and Certification Process](#), and the Auditor Guidance documents for [gold mines](#), [cyanide transportation](#) and [recertification audits](#).

Changes to the Cyanide Code Signatory and Certification Processes

In October 2014, after a lengthy review of the program, ICMI's Board of Directors publicly proposed changes to the Cyanide Code's signatory and certification processes. The proposed modifications to the administrative provisions of the Cyanide Code and its implementing documents were intended to clarify its requirements regarding companies becoming signatories and maintaining their signatory status. One purpose of the proposed changes was to encourage non-compliant operations to remain in the program while they correct their deficiencies so they may publicly demonstrate their progress and subsequent compliance with the program.

Under then-existing requirements, the failure of a signatory to certify all of the operations it had designated for certification within the allowed timeframe placed the signatory company and all of its operations in jeopardy of being expelled from the Cyanide Code program. While the intention of the requirement was to encourage high performance across all operations, it deprived companies with compliance problems of the opportunity to remain in the program while they corrected deficiencies in their cyanide management practices in an open and transparent manner.

Under the proposal, operations found in non-compliance with one or more of the Cyanide Code's Standards of Practice, Transport Practices or Production Practices during a certification audit, as well as those that fail to meet a certification audit or Corrective Action Plan deadline, would remain in the program in "non-compliant" status while correcting their deficiencies and working to achieve compliance. This would allow non-compliant operations to demonstrate their commitment to achieving best practice for management of cyanide and to show their progress in achieving Cyanide Code compliance by posting the results of annual internal audits on the Cyanide Code website for review until they are certified. However, the proposal does not limit or affect a signatory's ability to withdraw operations from the program at any time and for any reason.

Other proposed changes created pathways for signatory companies and/or operations to return to the Cyanide Code after voluntarily withdrawing or being terminated. Until the proposed rules were adopted, no procedures had existed for re-admittance to the program. Similarly, there were no existing procedures for certification of operations that were previously certified or designated for certification but subsequently were withdrawn.

The proposed changes also included procedures by which operations that have temporarily suspended gold production, cyanide manufacturing or cyanide transportation activities (due to economic conditions, for example) can remain in the program while in temporary closure and then be certified or recertified once they return to active operations. Additional revisions to the Cyanide Code were proposed to improve the document's organization and structure and to clarify existing requirements.

Through its public notice, ICMI sought comment on the proposed changes from Cyanide Code stakeholders. ICMI's Board of Directors considered the comments received, revised the proposal as appropriate, and announced the immediate adoption of the program modifications on December 12, 2014. [The Signatory and Certification Process](#) is available on the Cyanide Code website.

Cyanide Code signatory companies began using the new procedures just 11 days after their adoption when Newcrest Mining's Lihir Island operation entered "non-compliance" status because it had not completed its initial certification audit by the deadline. Since then, a missed certification deadline also resulted in cyanide transporter Movis Ghana entering "non-compliance" status, and Kinross Gold's certified La Coipa Mine went into "temporarily inactive" status. Had the signatory and certification processes not been revised, these three operations, which now remain in the Cyanide Code as they achieve compliance, would have withdrawn from the program without an established path for their return.

ICMI believes that these changes are positive steps in the evolution of the Cyanide Code that will reduce risks to workers, communities and the environment by encouraging non-compliant operations to improve their cyanide management practices within the program's structured and transparent framework.

Training Workshop

The International Cyanide Management Institute held training workshops in February in the North African country of Mauritania. ICMI Vice President Eric Schwamberger conducted a cyanide workshop for personnel of Kinross Corporation's Tasiast Mine, and two public training sessions in Nouakchott, the nation's capital, presenting information on topics such as cyanide chemistry, cyanide's effects on humans and the environment, and its use in gold mining. Participants included personnel from Mauritania's Ministry of Mines and Petroleum and Ministry of Environment as well as the University of Nouakchott.

Code Questions

1. Does an operation maintain its certification if it is sold?

For an operation to be certified in compliance with the Cyanide Code, it must be owned by a company that is a signatory to the Code and be designated for certification by its owner. If a certified operation is sold to another signatory company and the signatory submits an updated signatory application to ICMI designating it for certification, the operation retains its existing certification. The operation would lose its certification if sold to a non-signatory company unless its new owner becomes a signatory and designates the operation for certification. In either case, if the operation remains in the program, its next certification audit would be required within two years of the ownership change (defined as a change in the controlling interest of the operating company), or within three years of its previous certification, if shorter.

2. Can a Cyanide Code signatory consignor/transporter include a cyanide warehouse in its certified supply chain?

Modifications to an existing certified supply chain, including the addition of a warehouse, can be made pursuant to Items I.G. and V.C. in ICMI's Signatory and Certification Process. Additional information regarding modification of an existing certified supply chain can be found under Item 9 of the General Guidance section of ICMI's Auditor Guidance for Use of the Cyanide Transportation Verification Protocol.

Because warehouses as well as trans-loading facilities are considered to be cyanide production facilities under the Cyanide Code, the audit required for either of these operations to be added to a certified supply chain must be conducted by a lead auditor and a technical expert auditor for cyanide production.

3. Are certified mines required to have closure audits?

The Cyanide Code does not require certified mines to undergo decommissioning or closure audits. Since participation in the Cyanide Code is voluntary, mines can withdraw from the program at any time and for any reason. Moreover, a mine is no longer subject to certification after decommissioning of its cyanide facilities. A certified mine has several options as gold production ends. These include:

Withdrawal from the Cyanide Code: A certified mine can withdraw from the Cyanide Code program rather than having its next triennial certification audit by submitting an updated signatory application form to ICMI. Although no reason for the withdrawal is required, the signatory can indicate that the operation is nearing the end of production, is in its decommissioning phase or has fully decommissioned all cyanide facilities and therefore is no longer subject to the Cyanide Code.

Certification prior to or during decommissioning: An operation can be audited prior to or during its decommissioning, and it can be certified in compliance with the Cyanide Code as long as cyanide facilities remain on site. The audit would determine if remaining cyanide facilities and their management continue to be compliant with the Cyanide Code during decommissioning and document those aspects of the mine that are no longer subject to the program. As with all certifications, the Summary Audit Report and Auditor Credentials Form is posted on the Cyanide Code website demonstrating to stakeholders that the mine maintained compliance with the Cyanide Code as it was decommissioned.

Audit after decommissioning: A mine that has been decommissioned can be audited to determine if cyanide facilities remain on site or if the Cyanide Code is no longer applicable. If the auditor determines that cyanide facilities no longer exist, the audit report can document the evidence supporting this finding for each Principle and Standard of Practice and demonstrate that the risks related to cyanide have been minimized to the point that the Cyanide Code no longer applies. The mine's decommissioning cannot be certified because it no longer is within the scope of the Cyanide Code program. However, at the signatory's request, ICMI can post the Summary Audit Report and Auditor Credentials Form along with an announcement that the operation has been withdrawn from certification.