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August 15<sup>th</sup> 2016,

**Stakeholder Submission RE: Initial Full Assessment Report, Cermaq Canada Ltd Brent Island, by SAI Global Assurances Services, dated 27<sup>th</sup> July 2016 (Report code ASC034)**

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for Cermaq Canada Ltd's Brent Island farm, conducted by SAI Global, the below-noted stakeholders have deep concerns about the robustness of the audit and believe that approving ASC certification of this farm would severely undermine the salmon standard established by the ASC.

Firstly, we find it completely inappropriate and irresponsible for the SAI Global to be awarding ASC certification to Discovery Island farms before September 30<sup>th</sup>, 2020 as based on the Cohen Commission's recommendations.

Secondly, we find the draft audit report to be insufficient in providing meaningful data and evidence that demonstrates the farm has successfully met the salmon standard criteria. In particular, we believe it would be irresponsible for SAI Global to grant ASC certification to farms that have broken the local regulatory requirements of their license (as per 7.3 (b) and 8.3 of the PAR).

Our comments and concerns are provided in detail below. We look forward to hearing how the SAI Global will address the outstanding concerns.

Sincerely,

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## I. Inappropriate to Award Certification to Discovery Islands Farms

The Cohen Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River's final report, *The Uncertain Future of Fraser River Sockeye*, provided a number of key recommendations in relation to aquaculture, with a particular reference to the densely farmed Discovery Islands located on the critically important migration route of Fraser River sockeye.

Recommendation 18 states: *"If at any time between now and September 30, 2020, the Minister of Fisheries and Oceans determines that net-pen salmon farms in the Discovery Islands (fish health sub-zone 3-2) pose more than a minimal risk of serious harm to the health of migrating Fraser River sockeye salmon, he or she should promptly order that those salmon farms cease operations."*

On August 9<sup>th</sup> 2016, Fisheries and Oceans Canada provided an update on progress<sup>1</sup>: *"Scientific research is being conducted and a disease risk assessment process is underway and will be completed by 2020."*

Therefore, we find it completely inappropriate and irresponsible for the CAB to be rewarding ASC certification to Discovery Island farms before September 30<sup>th</sup>, 2020.

## II. Disqualifying Non-Conformance

### a) Compliance with all applicable local and national legal requirements and regulations

Criterion 1.1 of the Salmon Standard requires the farm's compliance with all applicable local and national legal requirements and regulations. The indicator 1.1.1 requires the auditor action:

1.1.1 A. **Review compliance** with applicable land and water use laws.

The auditor's comments for 1.1.1, refer to the company's ability to access relevant laws online. The CAB failed to appropriately review compliance, nor document the following evidence. The farm's licence conditions under the Pacific Aquaculture Regulations (PAR)<sup>2</sup>, requires farms to notify DFO no later than seven calendar days of reaching or exceeding the three motile threshold for sea lice:

*7.3 During the period from March 1 to June 30 inclusive, the licence holder cultivating Atlantic salmon and trout must carry out a sea lice abundance assessment every two weeks, at minimum, for fish held in containment structures for more than 30 calendar days, and where the abundance threshold of three motile *Lepeophtheirus* spp. has been exceeded, the licence holder must:*

*(a) initiate action within 15 calendar days of the discovery to reduce the absolute lice inventory at this facility over subsequent weeks; and*

***(b) notify the Department as per section 8.3.***

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<sup>1</sup> <http://www.dfo-mpo.gc.ca/cohen/report-rapport-eng.htm>

<sup>2</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/licence-permis/docs/licence-cond-permis-mar-eng.pdf>

8.3 From March 1 to June 30 inclusive, should the average sea lice abundance reach or exceed three motile *Lepeophtheirus* spp. per cultivated salmonid, **the licence holder must report to the Department not later than seven calendar days** after the discovery:  
(a) the abundance results of the sea lice monitoring; and  
(b) the actions and management response to be initiated within 15 calendar days of the discovery.

According to public reporting by DFO<sup>3</sup>, Cermaq Canada's Simmonds Point farm "Did not report reaching threshold" (May 2015), therefore breaching 7.3 and 8.3 of their PAR licence conditions. This event occurred during the production cycle period, in which, the Brent Island farm stock would have been smolts at the Simmonds Point farm.

In addition, the PAR licence condition 7.2 states:

7.2 Sampling at each facility cultivating Atlantic salmon and trout **must be conducted in a minimum of three containment structures** except if:  
(a) during harvest, a facility that normally has four or more containment structures of fish reduces its inventory to fewer than four containment structures; or  
(b) fish transferred to this facility reside in fewer than three fully stocked containment structures, or fewer than 30 calendar days have passed since the completion of fish transfer to the third containment structure; or  
(c) the facility, when fully stocked, consists of five or fewer containment structures. In such a case, the fish of at least one containment structure must undergo lice abundance assessment.

DFO comments for Cermaq Canada's Brent Island farm dated February 2016 public reporting<sup>4</sup> state: "Management action planned; 2nd and 3rd sampling events include counts from only 2 pens".

Lastly, the CAB also fails to document the 2015 DFO Fish Inspection<sup>5</sup> for Brent Island farm under the auditor action for 1.1.1 C. *Review inspection records for compliance with national and local laws and regulations (as applicable)*. The Fish Inspection found "2X Carcass retrieval protocol or record keeping need improvement"

During the production cycle, Cermaq Canada breached licence conditions under the PAR and are therefore are not compliant with Salmon Standard indicator 1.1.1.

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<sup>3</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/docs/lice-pou/2015/Q2-T2/A-eng.pdf>

<sup>4</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/docs/lice-pou/2016/monthly-previsions/20160101-20160331-en.pdf>

<sup>5</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/docs/health-sante/2015/2015-G-eng.html>

### III. Major Non-Conformities that should have been included in the Audit

#### a) Indicator 2.4.2 High Conservation Value Area

The Salmon Standard indicator 2.4.2 has a zero allowance, with exceptions, for farms sited in protected areas or High Conservation Value Areas (HCVAs).

The Marine Planning Partnership for the North Pacific Coast (MaPP)'s Marine Planning Portal, SeaSketch<sup>6</sup>, used Marxan analyses to identify areas of high conservation value termed, "High Priority Conservation Areas". Object ID 3007, the planning unit area that includes the Brent Island farm, identified as high value in 6 out of 10 analyses. It is also located in an "Important Area" for herring.

In addition, Okisollo Channel was identified as a HCVA by four environmental organisations<sup>7</sup> which analysed 1,243 different ecological features around North Vancouver Island.

Both analyses relied on Marxan data from the British Columbia Marine Conservation Analysis (BCMCA)<sup>8</sup> which mapped areas of high conservation value, including scenarios for the Discovery Island and Okisollo Channel area.

Consequently, a Major Non-Conformance should be raised.

#### b) Indicator 3.1.4 Sea Lice Testing Schedule

Salmon Standard indicator 3.1.4 requires frequent on-farm testing for sealice. Footnote 41 of the Salmon Standard auditor manual states:

*[41] Testing must be **weekly during and immediately prior to sensitive periods for wild salmonids, such as outmigration of wild juvenile salmon**. Testing must be at least monthly during the rest of the year, unless water temperature is so cold that it would jeopardize farmed fish health to test for lice (below 4 degrees C). Within closed production systems, alternative methods for monitoring sea lice, such as video monitoring, may be used.*

Under 3.1.4 A. the auditor is required to review the sea lice testing schedule to confirm the weekly testing during sensitive periods. The CAB report notes, "During sensitive periods the month is broken down into a two-one two-one cage lice count over the month". The PAR licence conditions only require 2-week intervals between sea lice abundance testing during sensitive periods (March 1 – June 30).

The below table is an extraction from DFO public reporting on sea lice<sup>9</sup>, that shows the number of counts performed throughout the production cycle during the sensitive period. The evidence shows Cermaq Canada performed an inadequate number of counts as required by the PAR and did not meet

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<sup>6</sup> <http://www.seasketch.org/#projecthomepage/50e58ab28aba4075183f8fc0>

<sup>7</sup> [http://www.livingoceans.org/sites/default/files/ENGO\\_priorities\\_NVI\\_May2014\\_border\\_whales.pdf](http://www.livingoceans.org/sites/default/files/ENGO_priorities_NVI_May2014_border_whales.pdf)

<sup>8</sup> [http://bcmca.ca/datafiles/analysis/BCMCA\\_A\\_series\\_of\\_Marxan\\_scenarios\\_for\\_Pacific\\_Canada\\_13sept2012.pdf](http://bcmca.ca/datafiles/analysis/BCMCA_A_series_of_Marxan_scenarios_for_Pacific_Canada_13sept2012.pdf)

<sup>9</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/lice-pou-eng.html>

the ASC Salmon Standard requirement of weekly testing. Therefore, a Major Non-Conformance should be raised.

<b>Simmonds Point</b>	
<b>Date</b>	<b>Count</b>
April 2015	1
May 2015	1
<b>Brent Island</b>	
<b>Date</b>	<b>Count</b>
May 2015	0
June 2015	1
March 2016	2

**c) Indicator 3.1.5 Wild Salmon Migration and Stock Productivity – evidence of data**

3.1.5 of the Salmon Standard states:

***Indicator:** In areas with wild salmonids [43], evidence of data [44] and the farm’s understanding of that data, around salmonid migration routes, migration timing and stock productivity in major waterways within 50 kilometers of the farm*

Further instructions state:

*This Indicator requires collection and understanding of general data for the major watersheds within approximately 50 km of the farm. A farm does not need to demonstrate that there is data for every small river or tributary or subpopulation. Information should relate to the wild fish stock level, which implies that the population is more or less isolated from other stocks of the same species and hence self-sustaining. A **"conservation unit" under the Canadian Wild Salmon Policy is an example of an appropriate fish stock-level definition.** However, it must be recognized that each jurisdiction may have slight differences in how a wild salmonid stock is defined in the region.*

While the CAB identifies wild Pacific salmonid species for the area under 3.1.5a., the auditor fails to provide acceptable evidence to demonstrate the farm’s information on stock productivity, nor at an appropriate fish stock-level definition as required under 3.1.5b:

*For species listed in 3.1.5a, compile best available information on migration routes, migration timing (range of months for juvenile outmigration and returning salmon), life history timing for coastal resident salmonids, and stock productivity over time in major waterways within 50 km of the farm.*

It would be expected that the farm identifies the relevant wild salmon conservation units as per the Wild Salmon Policy and demonstrates the data needed to adequately conform to this indicator. Of significant importance, are the 24 conservation units of Fraser River sockeye. The audit provides no evidence of data or the understanding of data on salmonid migration routes, timing and stock productivity to the specificity required by the salmon standard. A Major Non-Conformance should be raised.

#### **d) Indicator 3.1.7 and Non-Compliance with the Variance**

The referenced Variance Requests (81, 90 and 141) defer to the PAR requirement of 3 motile lice vs. the Salmon Standard of 0.1 adult females /fish. Based on the approved variance, it can be expected that Simmonds Point and Brent Island would need to demonstrate meeting the PAR requirements of 3 motile lice per fish in order to be certified for the ASC Salmon Standard. We find the CAB's application of the PAR threshold to be flawed.

The evidence clearly shows Simmonds Point and Brent Island to be in breach of the PAR threshold and their licence conditions.

During the defined sensitive period (1 March – 30 June), smolts at the Simmonds Point farm recorded 3.6 (DFO audit 2.4) motile/fish and 3.3 motile/fish in May 2015. As mentioned above, the farm failed to report reaching the threshold to DFO as required under their licence conditions. The farm also failed to initiate an action plan within 15 days as required. Instead, it appears Cermaq Canada transferred fish across Fish Health Zones from Simmonds Point (Fish Zone 3.4) in the Broughton Archipelago to Brent Island (Fish Zone 3.2) in the Discovery Islands.

Another count in June 2015 showed sea lice numbers remained a problem at 4.5 motile/fish. It is noted by DFO: "Reported reaching threshold and action plan as required by licence". No information on the action plan could be found publically, and we request a clarification on the plan that occurred.

Again, the PAR threshold was breached in September 2015 with 3.25 motile/fish. As mentioned above, incorrect sampling procedures took place in February 2016, in breach of their licence conditions.

We submit that the integrity of the Salmon Standard is brought into question by the certification of a farm that cannot meet its Conditions of Licence and applicable domestic law, much less meeting the Standard itself even as varied by the ASC. Consequently, a Major Non-Conformance should be raised.

### **IV. Minor Non-Conformities that should have been included in the Audit**

#### **a) Indicator 2.1.4 Site-specific AZE**

Salmon Standard indicator 2.1.4 c. requires > 6 months of monitoring data for validation. The CAB inappropriately marks the indicator as a "N/A" with the comments, "This is being done in conjunction

with the sampling as required by DFO and by the ASC". We assert unless these data have been completed and meets the >6-month requirement, 2.1.4c should be raised as a Minor Non-Conformity.

## V. Audit Evidence and Non-Conformities

The ASC CAR (V2.0) states under *17.9 Audit Evidence*:

17.9.1 Audit evidence relevant to the audit objectives, scope and criteria, including information relating to interfaces between functions, activities and processes shall be collected by appropriate sampling and shall be verified.

17.9.2 Only information that is verifiable may be audit evidence.

17.9.3 The CAB shall record all audit evidence in the audit report.

### a) Indicator 2.2.1 and 2.2.2 Water Quality DO

Salmon Standard indicator 2.2.1e. requires the witnessing of DO monitoring and calibration verification. Specifically, the auditor actions are to:

*2.2.1 E. Witness DO monitoring and verify calibration while on site. On-site values should fall within range of farm data for DO. If an out of range measurement is observed, raise a nonconformity.*

It is uncertain if the CAB simply questioned staff or witnessed these requirements (monitoring and calibration) and in particular, whether an in range DO measurement was observed. CAR 17.9.1 and 17.9.2 require appropriate sampling and verification.

In addition, another Cermaq Canada farm located in Oskillo Channel, Venture Point, recently reported low levels of dissolved oxygen as low as 3.6<sup>10</sup>. Given the company refers to low levels being a natural occurrence in Oskillo Channel, and the reference point is the same location for both farms, indicators 2.2.1 and 2.2.2 should be updated in light of this recent event.

### b) Indicator 3.4.2 Counting Technology

The salmon standard indicator 3.4.2 states the counting technology or counting method requirement is  $\geq 98\%$  (or an unexplained loss of  $\leq 2\%$ ). The unexplained loss reported for Brent Island's last production cycle was higher than the requirement at 2.35% or 16,083 fish<sup>11</sup>. The CAB acknowledges this occurred, and appears satisfied with Cermaq's Canada's actions, however failed to verify this non-conformity as required by auditor:

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<sup>10</sup> <http://www.cermaq.com/wps/wcm/connect/msca-content-en/mainstream-canada/news/low+oxygen+at+venture+point+sea+site+in+okisollo+channel>

<sup>11</sup> <https://www.cermaq.com/wps/wcm/connect/msca-content-en/mainstream-canada/contact-us/our-locations/brent+island>

*c. During audits, arrange for the auditor to witness calibration of counting machines (if used by the farm).*

The auditor's comments state, "Calibration was carried out by the harvesting contract staff, so was not viewed during the audit."

Given the previous unexplained loss number and the lack of verification by the CAB, this indicator should be raised as a non-conformity.

## **VI. Compromised Chain of Custody**

The ASC Certification and Accreditation Requirements (CAR) Version 2.0 indicator 17.6 *Determining the start of the chain of custody*, requires the CAB to assess the following risks to the Chain of Custody (CoC):

*17.6.1.1 The possibility of mixing or substitution of certified and non-certified product, including product of the same or similar appearance or species, produced within the same operation.*

*17.6.1.2 The possibility of mixing or substitution of certified and non-certified product, including product of the same or similar appearance or species, **present during production**, harvest, transport, storage, or processing activities.*

*17.6.1.4 Any other opportunities where certified product could potentially be mixed, substituted, or mislabelled with non-certified product **before the point where product enters the chain of custody.***

*The Determination for Chain of Custody (CoC) Certification*, found on Page 9 of the Initial Full Assessment report, refers only to post-harvest CoC and fails to assess production cycle or pre-harvest risks. The report notes prior to the Brent Island farm site, smolts were stocked at Simmonds Point, before being transferred in May 2015. However, Fisheries and Oceans Canada (DFO) public reporting shows May 2015 transfers occurred to three Cermaq Canada farms: Brent Island, Venture Point and Bawden<sup>12</sup>. The CAR requires all stages of the production cycle to be assessed and therefore, the nursery net-pen stage (between the assessed hatchery, Little Bear Bay and Brent Island grow-out) should be determined as a potential risk and a separate chain of custody certification should be required as per:

*17.6.8 If the CAB has determined that any risk factors in 17.6.1.1 or 17.6.1.2 or 17.6.1.4 are applicable, a separate chain of custody certification shall be required.*

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<sup>12</sup> <http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/docs/lice-pou/2015/Q2-T2/A-eng.pdf>