

ATTN: Jean Ragg
Fisheries & Aquaculture Administrator
SAI Global Assurance Services
Jean.ragg@saiglobal.com

10th August 2017,

Stakeholder Submission RE: Initial Full Assessment Report, Cermaq Canada's Burdwood farm, by SAI Global Assurances Services

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for Cermaq Canada's Burdwood 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.

We find the draft audit report to be insufficient in evidence to demonstrate the farm successfully met the salmon standard criteria. We submit this is due to SAI Global failing to meet the requirements of the ASC Certification and Accreditation Requirements (CAR) and the Salmon Standard Audit Manual.

In addition, we believe it would be irresponsible for SAI Global to grant ASC certification given the clear vocal opposition of fish farms by the First Nations of the territory in which the Burdwood farm resides. Therefore, the certification would undermine the credibility of the ASC, the salmon standard and SAI Global.

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

Sincerely,

Kelly Roebuck
Living Oceans Society

John Werring
David Suzuki Foundation

Susanna Fuller
Ecology Action Centre

HEAD OFFICE
Box 320
Sointula, BC V0N 3E0
Tel 250 973 6580

www.livingoceans.org

REGIONAL OFFICE
Suite 2000 – 355 Burrard Street
Vancouver, BC V6C 2G8
Tel 604 696 5044 Fax 604 696 5045

www.livingoceans.org

I. Process Requirements and Audit Timing

a) Exclusion of harvest activities from initial audit

The draft audit report fails to state whether (or not) harvest activities were witnessed at the initial audit. Although it can be assumed due to the fact peak biomass sampling was yet to occur, an early audit was conducted.

The ASC CAR V2.0 requires that *“The CAB’s initial audit should include harvesting activities of the principle product to be audited.”* (Audit Timing 17.4.2).

17.4.6 If the CAB determines that it is not possible to conduct the initial audit as specified in 17.4.2, the CAB shall:

17.4.6.1 Record this determination in the audit report.

17.4.6.2 Provide a justification for the alternative timing.

There is no record in the draft report that states it was not possible to witness harvest as required by the CAR (17.4.6.1). Likewise, there is no justification, as required in the CAR (17.4.6.2), provided in the draft audit report for conducting the audit earlier and not witnessing the harvest of the principle product.

Responding to our previous submissions regarding this issue, SAI Global has routinely stated:

“Under the CAR V2.0 Clause 17.4.6, it is permitted under ASC Salmon Standard to not view the Harvesting in the initial audit, but that justification must be given for not viewing the process. This will be included in the report for final publication, as it was in all previous reports, and will confirm when harvesting will be viewed.”

Upon review of the reports for final publication, SAI Global did not include the justification or confirm when harvesting will be viewed (Sheep Passage; Phillips Arm; Chancellor Channel; Westside).

Given the CAR requires CABs to record in the audit report: 1) whether the witness of harvest is possible and 2) justification for alternative timing, if applicable; it is reasonable for stakeholders to expect such recording is made available in both the draft *and* final audit reports.

b) Inability to verify the Chain of Custody

The CAR V2.0 states under 17.6 Determining the start of the chain of custody:

17.6.6 Based on the results found from 17.6.1 -17.6.5 above, the CAB shall determine whether:

17.6.6.1 The traceability and segregation systems in the operation are sufficient to ensure all products identified and sold as certified by the operation originate from the unit of certification, or

17.6.6.2 The traceability and segregation systems are not sufficient and a separate chain of custody certification is required for the operation before products can be sold as ASC-certified or can be eligible to carry the ASC logo.

Without the auditor witnessing the harvest and therefore, the principle product entering the chain of custody, the auditor is unable to verify that the traceability and segregation is indeed “sufficient”. While the farm may well have a system in place on paper that appears to provide for the necessary elements, the purpose of an on-site audit is to prove that implementation of policies and procedures takes place—that is the essence of the determination of “sufficiency”. For example, the draft audit report states: “Cermaq harvesting, transport and storage activities preclude the risk of substitution” (Page 97). We question how this claim can be made without witnessing the harvest.

c) Insufficient records and evidence

A number of salmon standard indicators are listed in the audit report as “conforming” despite insufficient records or evidence due to the audit taking place before the harvest. The ASC Certification and Accreditation Requirements (CAR) Version 2.0 has the following stated Process Requirements (17):

17.1 Unit of Certification

17.1.2.1 All clients seeking certification shall have available records of performance data covering the periods of time specified in the standard(s) against which the audit(s) is to be conducted; and

17.4 Audit Timing

17.4.5 Audits shall not be conducted until sufficient records/evidence are available for all applicable standard requirements as the minimum.

With the audit taking place before harvest, the records and evidence for the applicable standard requirements are simply not available. For example, the benthic monitoring indicators set out in Criterion 2 can only be addressed by sampling conducted at the farm’s peak biomass (i.e. harvest). Several indicators rely on similar end-of-cycle calculations, such as the Estimated Unexplained Loss (3.4.3); Maximum viral disease-related mortality (5.1.5); Maximum unexplained mortality rate (5.1.6); Maximum farm level cumulative parasiticide treatment index score (5.2.5); Number of treatments of antibiotics (5.2.9) and Fishmeal/Fish Oil Forage Fish Dependency Ratio (4.2.1/4.2.2). Numerous indicators focus on whether an event occurs beyond a stipulated threshold during a stated period up to and including the production cycle under audit, such as Maximum number of lethal incidents (2.5.6); Maximum on-farm lice levels (3.1.7); Maximum number of escapes (3.4.1) and OIE-notifiable disease occurrence (5.4.4).

With the exceptions of 2.1.1; 2.1.2; 2.1.3, 4.7.3, 4.7.4; **the indicators above are listed as “conforming” - despite not having available any of the records and evidence required.**

The CAR requires sufficient records and evidence for the initial full assessment audit, requiring a complete production cycle in order to confirm conformance with all applicable salmon standard indicators. An incomplete production cycle equates to incomplete evidence and records.

Insufficient evidence and records remain a concern we have highlighted in other audit reviews. On review, the limited evidence and records that are provided in the audit reports are either based on data from the current production cycle *at the time of the early audit* or the *previous* production cycle. Therefore, the reports fail to provide a full production cycle of data for the most recent cohort of fish.

Listing indicators that require a full production cycle of data as ‘conforming’ - despite approximately four to six months’ worth of production cycle data yet to be completed - allows for the potential for non-conforming product to be certified and enter the market with the ASC logo. The Marsh Bay early audit is a prime example of this potential becoming a reality, where an early audit resulted in missing the unfortunate marine mammal deaths which occurred later in the full production cycle (after the audit). The early audit and certification of Marsh Bay allowed for non-conforming product to enter the market place with the ASC logo. As long as early auditing continues, the potential for non-conformance remains. At the very least, non-conformance should be raised for the indicators for which a full production cycle worth of data is needed. The non-conformance should be closed before certification is granted.

The full assessment audit failed to meet CARv2.0 17.4.5 requirements, as the data and sufficient records/evidence covering the periods of time specified and required in the salmon standard were not yet available. Consequently, we find the CAB failed to meet their obligations under the ASC’s CAR.

d) Questionable report evidence

On review of the Burdwood draft audit report, it appears much of the evidence provided for indicators – including metrics- are identical to that of the draft Sir Edmund Bay audit report. For example, the evidence for the following indicators appears to be verbatim: 2.2.1; 2.2.2; 2.2.4; 2.3.1; 2.5.3; 3.1.4; 3.1.7; 5.1.6; 5.2.4; 5.2.7; 5.2.9 and the nonconformities listed on page 98.

Consequently, it is found evidence of compliance for Burdwood farm is missing for a number of indicators.

II. Salmon Standard Requirements

For the Salmon Standard indicators below, we submit the CAB did not conform to the following CARv2.0 requirement:

17.3 Audit methodology

17.3.1 The ASC audit shall use the ASC Audit Manual as guidance for the standard(s) for which the client is being audited.

Further details to our reasoning are provided below.

a) Indicator 3.1.1 Participation in an Area-Based Management (ABM) scheme...

The draft audit report lists the farm as ‘compliant’ for indicator 3.1.1 despite noting there is “no ABM scheme” and farms within the immediate area are all Cermaq owned. The CAB then exempts the farm from needing to provide evidence for 3.1.1b (description of ABM management of disease and resistance) and 3.1.1c (documentation of ABM compliance to Appendix II-1 components).

Salmon Standard Indicator 3.1.1 is applicable to all farms, except those noted in footnote 38:

Applicability: All except farms that release not water as noted in [38]

Further, the ASC Audit Manual states the following:

Instruction to Clients and CABs on Exemptions to Criterion 3.1 According to footnote [38], farm sites for which there is no release of water that may contain pathogens into the natural (freshwater or marine) environment are exempt from the requirements under Criterion 3.1. More specifically, farms are only eligible for exemption from Criterion 3.1 if it can be shown that either of the following holds: 1) the farm does not release any water to the natural environment; or 2) any effluent released by the farm to the natural environment has been effectively treated to kill pathogens (e.g. UV and/or chemical treatment of water with testing demonstrating efficacy). Auditors shall fully document the rationale for any such exemptions in the audit report.

Footnote 38 does not exempt farms from the same company. Therefore, regardless of whether a sole company or other companies are involved – any farm that releases into the natural environment without treatment is required to demonstrate they participate in an ABM as per the requirements of indicator 3.1.1.

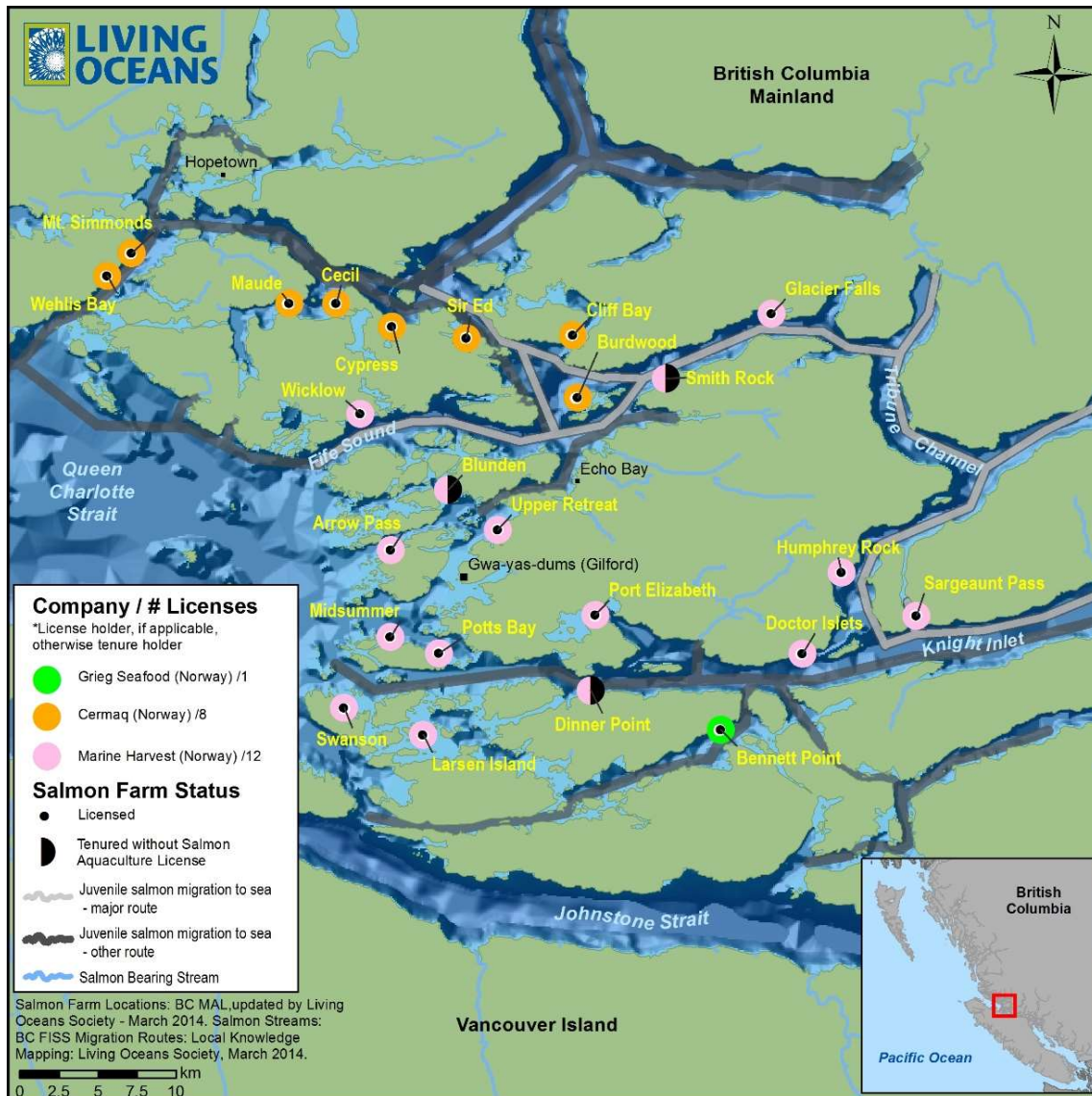
The Salmon Standard’s Appendix II-1 Attributes and required components of the ABM provides the following definition of an “area”:

II-1. A Definition of “area”

If area-based management is already a regulatory requirement of the farm’s jurisdiction, then farms will use this definition of “area” for the purposes of these requirements. In jurisdictions where ABM is not a regulatory requirement, the area covered under the ABM must reflect a logical geographic scope such as a fjord or a collection of fjords that are ecologically connected. The boundaries of an area should be defined, taking into account the zone in which key cumulative impacts on wild populations may occur, water movement and other relevant aspects of ecosystem structure and function.

As demonstrated in the map below, the Burdwood farm is located within a major juvenile salmon migration route, which overlaps with Marine Harvest farms (e.g. Glacier Falls). Following the salmon standard’s definition of an “area”, which includes “taking into account the zone in which key cumulative impacts on wild populations may occur”, then an appropriate ABM for Burdwood would include all farms within the collection of fjords that are located on the same wild salmon migration route(s). We

submit the auditor did not appropriately define the area, nor follow the Audit Manual by appropriately assessing ABM compliance.



Broughton Archipelago salmon farm licenses. Source: LOS

b) Criterion 7.2 Respect for indigenous and aboriginal cultures and traditional territories (Indicators: 7.2.1; 7.2.2; 7.2.3) & Criterion 7.3 Access to resources (Indicators: 7.3.1; 7.3.2)

The draft audit report fails to acknowledge that the Burdwood farm resides in the Musmagw Dzwada'enuwx Nation territory. The report also omits the fact that the Musmagw Dzwada'enuwx have vocally declared their opposition to fish farms in their territory for nearly 30 years. Instead, the audit evidence appears to present selective company objectives and statements. While these may be applicable to other regions that Cermaq operates within, they cannot be readily applied to territory in which the Burdwood farm resides. In addition, the auditor acknowledges that "no agreements are in place at this time", but fails to provide evidence of compliance to *"...or an active process to establish a protocol agreement, with indigenous communities"* (7.2.3). Despite this, the draft audit report states 'compliant' for indicator 7.2.3.

Musmagw Dzwada'enuwx Nation position statement can be viewed publicly on their website: <http://www.mdtc.ca/cleansing-our-waters>

Given the long history of vocal opposition and the current campaigning by Musmagw Dzwada'enuwx, Cermaq Canada's Burdwood farm clearly does not conform to Criteria 7.2 and 7.3 of the salmon standard.

c) Criterion 4.5; Indicator 6.5.4; and Criterion 7.3 – RE: diesel spill at Burdwood farm site

The auditor failed to address the environmental, health and safety and social impacts of the diesel spill at Burdwood farm in May 2017.¹²

In context to the ASC Salmon Standard, the farm is in major nonconformance to Criterion 4.5 Non-biological waste from production. Specifically, Indicator 4.5.1 requires the presence and evidence of a functioning policy for proper and responsible [83] treatment of non-biological waste from production (e.g., disposal and recycling), while Indicator 4.5.2 requires evidences that non-biological waste from grow-out site is either disposed of properly or recycled. Footnote 83 states:

[83] Proper and responsible disposal will vary based on facilities available in the region and remoteness of farm sites. Disposal of non-biological waste shall be done in a manner consistent with best practice in the area. Dumping of non-biological waste into the ocean does not represent "proper and responsible" disposal.

It appears the diesel spill was due to human error and therefore could be classified as an 'accidental dumping' of non-biological waste into the ocean that does not represent a proper and responsible disposal.

¹ <https://www.cermaq.com/wps/wcm/connect/cermaq-ca/news/fuel-spill-at-echo-bay-salmon-farm/>

In addition, we are surprised the auditor did not treat the accident as a healthy and safety issue under Indicator 6.5.4, which requires the employer to implement a corrective action plan in response to such accidents.

We also note, First Nations expressed concern of that the diesel fuel spill's potential to threaten their traditional food resources, such as clam beds.³ The spill also occurred during the herring spawn and sensitive period for juvenile migrating wild salmon. These impacts were not assessed by the auditor, in the context of compliance with Criterion 7.3 Access to resources.

³ <http://vancouversun.com/news/local-news/1000-litres-of-bio-diesel-spills-at-vancouver-island-fish-farm-clean-up-underway>