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**Stakeholder Submission RE: Initial Full Assessment Report, Cermaq Canada's Sir Edmund Bay farm, by SAI Global Assurances Services**

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for Cermaq Canada's Sir Edmund Bay 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 Sir Edmund Bay 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,

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## **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.

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) Incomplete audit report**

We note the Nonconformity Report Form for NC03 (listed as NC06) is incomplete. Corrective actions for appropriately closing the nonconformity should be provided for stakeholders.

## 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 2.1.1 Redox potential or sulphide levels in sediment outside the Allowable Zone of Effect...**

We note this is the first B.C. salmon farm to take the unusual step of choosing Redox potential (option #1) for the indicator 2.1.1. Given sulphide monitoring is a regulatory requirement, all other soft-bottom BC salmon farm ASC applicants have chosen sulphide levels (option #2) by default.

The Sir Edmund Bay farm site has a long history of noncompliance with permit conditions, unapproved production expansions in 2000, it was identified as one of the most severely impacted farms (from a benthic degradation perspective) operating in BC waters.<sup>1</sup> Applications for production expansion in 2001 were rejected by provincial and federal environment officials due to concerns about further benthic degradation but expansion was ultimately approved by the then Ministry of Agriculture Food and Fish despite these concerns. Since then, farm production has only continued to increase to even higher levels. It is now 5 times higher than in 2000. It is difficult to believe that the previously identified harmful benthic impacts would improve in the face of such expansion. We are concerned that the true impacts of this farm are not being properly assessed and this is due to weak regulation and lack of government oversight.

It is particularly important that the farm can demonstrate compliance with the ASC benthic indicators given a) the current production cycle is the first cohort of fish at the expanded production size (2,640mt), and b) the benthic environment has been compromised in the past when production levels were at similar (unapproved) levels, as acknowledged by the government agency in charge at the time:

*"This lack of flushing has resulted in high sulphide levels and low redox potentials at 30 meters, and even extending to 100 meters. Other monitoring data confirms the anoxic conditions being caused by this operation."*<sup>2</sup>

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<sup>1</sup> <http://www.davidsuzuki.org/publications/downloads/2007/DSF-HDfin-F.pdf>

<sup>2</sup> Letter dated February 2002 from B.C. Ministry of Environment, Lands and Parks Pollution Prevention Branch to BC Assets and Lands Corporation (BCALC)

We seek clarification as to why option #2 (sulphide levels) was not chosen by the client to demonstrate compliance to indicator 2.1.1 and whether the farm can confirm they have sampled and met the regulatory requirement sulphide thresholds for the current production cycle.

**b) Indicator 2.4.1 Evidence of an assessment of the farm's potential impacts on biodiversity and nearby ecosystems...**

During the process for the 2003 Commercial Finfish Aquaculture Management Plan Amendment, Provincial government letters expressed concerns with that the site's tenure had "poor circulation" and "weak" surface currents. They further detailed waste effluent impacts on fish habitat and that monitoring had shown site degradation.<sup>3</sup>

We submit relying on an unfinalized draft assessment is inappropriate evidence for Indicator 2.4.1. Furthermore, the draft's indication of "negligible or low" adverse effects on environmental and social components, is in direct contradiction with the at the time regulatory government body's communications and findings, as well as the social effects placed on First Nations (as discussed in Criteria 7.2. and 7.3 below).

**c) 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.

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<sup>3</sup> Ibid.

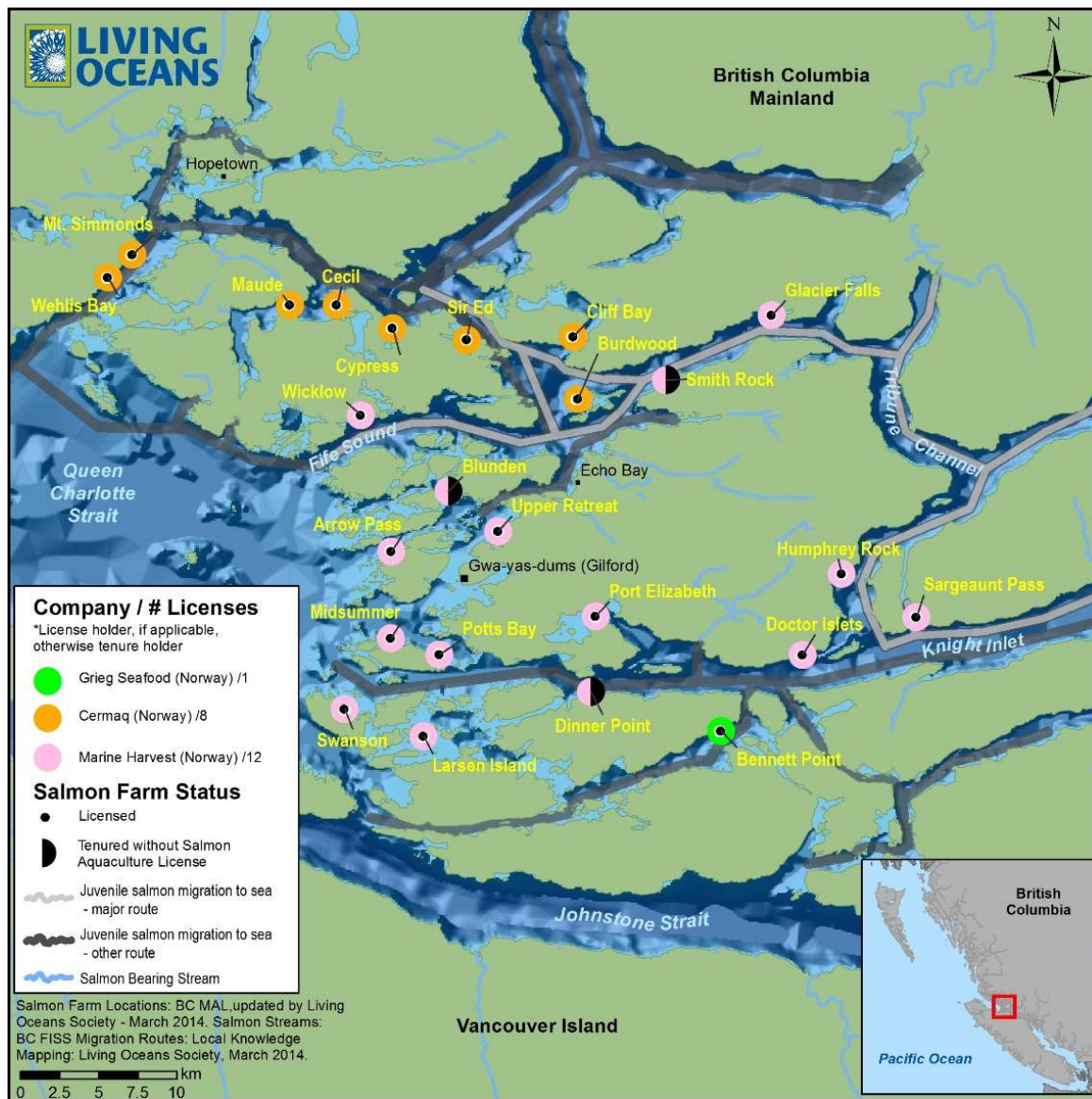
Footnote 38 does not exempt farms from the same company. Therefore, regardless of whether a sole company or other companies are involved – any farm that releases into the natural environment without treatment is required to demonstrate they participate in an ABM as per the requirements of indicator 3.1.1.

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 Sir Edmund Bay 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 Sir Edmund Bay 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

**d) Indicator 3.1.4 Frequent on-farm testing for sea lice...**

The auditor raised a Minor Nonconformity for indicator 3.1.4 as “two weekly lice counts were missed in May 2017 which falls in the sensitive period for out-migration of wild juvenile salmon”.

However, the draft audit does not mention the farm also failed to perform sea lice counts during the 2016 sensitive period for the current production cycle. Fisheries and Oceans Canada notes for May 2016 state:

*“2nd count not performed. Follow up actions taken to enforce adherence to licence conditions.”<sup>4</sup>*

Other missed counts occurred during the 2016 wild juvenile salmon migration period: March due to a “fish health management action” and July due to “environmental conditions”.<sup>5</sup>

The ASC CAR provides the following definition for a Major Nonconformity:

*Any non-conformity with an ASC requirement that has one or more of the following characteristics:*

- *The absence or total breakdown of a system that is likely to result in a failure to achieve the objective of the relevant ASC Standard Criteria or another applicable certification requirement*
- *Would result in the probable shipment of product that does not conform to ASC requirements*
- *Is likely to result in a failure of the system or materially reduce the ability of the client to assure the integrity of the certified product*
- **Is shown to continue over a long period of time**
- **Is repeated**
- *Is systematic or is the result of the absence or a total breakdown of a system*
- *Affects a wide area and/or causes significant damage*
- *Is not corrected or adequately responded to by the client once identified*
- *Where two (2) or more minor non-conformities may together meet any of the above criteria*

We submit given the missed counts occurred in both 2016 and 2017 during the sensitive period for out-migration of wild juvenile salmon, this demonstrates the non-conformance to have continued over a long period of time and has been repeated. Consequently, a Major Nonconformity ought to have been raised.

**e) 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 Sir Edmund Bay farm resides in the Musmagw Dzawada’enuwx Nation territory. The report also omits the fact that the Musmagw Dzawada’enuwx have vocally declared their opposition to fish farms in their territory for nearly 30 years. Instead, the

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<sup>4</sup> <http://open.canada.ca/data/en/dataset/3cafbe89-c98b-4b44-88f1-594e8d28838d>

<sup>5</sup> Ibid.

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 the territory in which the Sir Edmund Bay 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 Dzawada’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 Dzawada’enuwx, Cermaq Canada’s Sir Edmund Bay farm clearly does not conform to Criteria 7.2 and 7.3 of the salmon standard.

**f) Indicator 8.3 Evidence of an assessment of the farm’s potential impacts on biodiversity and nearby ecosystems**

The draft audit report cites a Biodiversity Impact Assessments (BIA) report for the Oceans hatchery which recommended “*improve the effluent discharge directly into the ponds via an injection well*”.

8.3b. requires: “*Obtain from the smolt supplier(s) a declaration confirming they have developed and are implementing a plan to address potential impacts identified in the assessment.*”

The ASC Audit Manual requires the CAB to “B. Review declaration”. Therefore, it would be expected that the farm would be required to provide evidence on how it is addressing BIA’s recommendation.

The draft auditor notes for 8.3b state: “*The current stock at Sir Edmund Bay farm were supplied by Cermaq Canada’s Boot Lagoon and Ocean Farms hatcheries*” and lists the farm as ‘compliant’. We find the auditor notes fail to follow the ASC Auditor Manual, nor provide evidence that Cermaq have developed and are implementing a plan to address the BIA recommendation for Oceans hatchery.