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August 17th 2016,

Stakeholder Submission RE: Initial Full Assessment Report, Cermaq Canada Ltd Venture Point, by SAI Global Assurances Services, dated 27th July 2016 (Report code ASC035)

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for Cermaq Canada Ltd's Venture Point 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 30th, 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

Lastly, we believe SAI Global failed to meet their obligations under the ASC Certification and Accreditation Requirements (CAR) Version 2.0.

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 Fraser River Sockeye Salmon 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 9th 2016, Fisheries and Oceans Canada provided an update on progress[1]: "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 30th, 2020.

II. Process Requirements and Audit Timing

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.*

The audit failed to meet these CARv2.0 process requirements, as the audit data and sufficient records/evidence covering the periods of time specified in the standard were not yet available. The audit took place before peak biomass data/evidence were available to assess Criterion 2.1 *Benthic biodiversity and benthic effects* (2.1.1, 2.1.2, 2.1.3) and Criterion 4.7 *Non-therapeutic chemical inputs* (4.7.3, 4.7.4).

Consequently, we find the CAB failed to meet their obligations under the ASC's CAR, therefore resulting in a disqualifying audit.

[1] http://www.dfo-mpo.gc.ca/cohen/report-rapport-eng.htm

III. Exclusion of harvest activities from 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).

The harvest of the principle product (i.e. fish stocked in Venture Island farm) were not viewed by the CAB. Instead the auditor's comments on Page 4 of the report under "Audit Plan" refers to the harvesting of a different Cermaq Canada farm, Brent Island. This does not fulfill the requirement of 17.4.2.

Furthermore, there is no justification, as required in the CAR (17.4.6.1/17.4.6.2), provided for conducting the audit earlier and not witnessing the harvest of the principle product.

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

i) 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[2], used Marxan analyses to identify areas of high conservation value termed, "High Priority Conservation Areas". The planning unit area that includes the Venture Point 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[3] 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)[4] 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.

ii) Indicator 3.1.4 Sea Lice Testing Schedule

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

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[2] http://www.seasketch.org/#projecthomepage/50e58ab28aba4075183f8fc0

[3] http://www.livingoceans.org/sites/default/files/ENGO_priorities_NVI_May2014_border_whales.pdf

[4] http://bcmca.ca/datafiles/analysis/BCMCA_A_series_of_Marxan_scenarios_for_Pacific_Canada_13sept2012.pdf

[41] ***Testing must be <u>weekly</u> 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[5], 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 the ASC Salmon Standard requirement of weekly testing. Therefore, a Major Non-Conformance should be raised.

Cliff Bay	
Date	**Count**
March 2015	1
April 2015	2
May 2015	1
Venture Point	
Date	**Count**
May 2015	0
June 2015	1
March 2016	2

iii) 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***

[5] http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/lice-pou-eng.html

> ***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.

iv) Indicator 3.1.6 Sea lice monitoring on wild salmon

The auditor notes that data continues to be gathered and will not be published until the end of the year. Sampling for this year is "still ongoing" and clearly not publically available yet. Therefore, 3.1.6b and d should be raised as non-conformities.

v) 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 Venture Point 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.

DFO public reporting for September 2015, shows Venture Point at 3.3 motile/per fish[6]. Therefore, the farm breached the varied 3 motile threshold of the PAR. Consequently, a Major Non-Conformance should be raised.

[6] http://www.pac.dfo-mpo.gc.ca/aquaculture/reporting-rapports/docs/lice-pou/2015/Q3-T3/A-eng.pdf

vi) Indicators 5.1.5, 5.1.6 and 5.4.2 Disease and Unexplained Mortalities

The CAB does not address the Strategic Salmon Health Initiative's (SSHI) finding of Heart and Skeletal Muscle Inflammation (HSMI) in samples collected from Venture Island farm[7] in 2013-2014[8]. We question whether the farm did meet the requirements under 5.4.2 that the CAB has listed as "N/A".

Furthermore, a large number of die-offs were recently witnessed at Venture Point[9] and it has been questioned whether these are related to HSMI or another unidentifiable transmissible agent. This recent event should be incorporated into the audit data/evidence as required by the salmon standard and CAR.

vii) 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 this data has 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.

i) Indicator 2.2.14 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.

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[7] https://www.cermaq.com/wps/wcm/connect/msca-content-en/mainstream-canada/news/a+group+of+scientists+are+reporting+potential+findings+of+a+case+of+hsmi+in+bc
[8] http://news.gc.ca/web/article-en.do?nid=1069579
[9] http://thetyee.ca/News/2016/08/02/Patrolling-Fish-Farms-with-Alexandra-Morton/

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, Venture Point, recently reported low levels of dissolved oxygen as low as 3.6[10]. Given the company refers to low levels being a natural occurrence in Okisollo 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.

ii) Indicator 3.4.2 Counting Technology

The auditor's comments in the Venture Point report, appears to refer to another Cermaq Canada farm under assessment, Brent Island. Therefore, indicator 3.4.2 is not correctly applied to the principle product of Venture Point. Based on what is presented, we submit the following:
the salmon standard indicator 3.4.2 states the counting technology or counting method requirement is ≥ 98% (or an unexplained loss of ≤ 2%)**.** The unexplained loss reported for Brent Island's last production cycle was higher than the requirement at 2.35% or 16,083 fish[11]. 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:

> *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 <u>was not viewed during the audit</u>."
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,* ***<u>present during production,</u>*** *harvest, transport, storage, or processing activities.*

[10] http://www.cermaq.com/wps/wcm/connect/msca-content-en/mainstream-canada/news/low+oxygen+at+venture+point+sea+site+in+okisollo+channel
[11] https://www.cermaq.com/wps/wcm/connect/msca-content-en/mainstream-canada/contact-us/our-locations/brent+island

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 Venture Point farm site, smolts were stocked at Cliff Bay, 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[12]. The CAR requires all stages of the production cycle to be assessed and therefore, the nursery net-pen stage (between the assessed hatcheries, Little Bear Bay, Ocean Farm and Venture Point 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.

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