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

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for Cermaq Canada's Dixon Bay farm, conducted by SAI Global, we have deep concerns about the robustness of the audit.

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.

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) Non-conformities close-out deadlines are past the 3-month requirement defined in the CAR

CARv2.0 normative reference 17.10.1.1 requires a minor non-conformity to be closed within three months:

17.10.1.1 A minor non-conformity

a) For initial certification, the CAB may recommend the applicant for certification once an action plan to address minor non-conformity(ies)
i. Has been agreed to by both the client and the CAB.

ii. Has been implemented.

iii. Within (3) three months the CAB shall:

A. Confirm receipt of objective evidence that demonstrates that a satisfactory corrective action plan has been finalized.

B. Confirm receipt of objective evidence that demonstrates that the corrective action plan has been implemented.

C. Close the minor non conformity once it can confirm receipt of objective evidence that demonstrates conformity.

The identification date listed for Dixon Bay's non-conformities is the 9th November 2017. Consequently, these must be closed by the 9th February 2018. The following deadlines for NC close-out under '11 Findings' of the draft audit report are past the CAR required 3-month deadline:

NC Indicator	Identification date	Deadline for NC close-out
2.1.1	09 November 2017	02 March 2018
2.1.2	09 November 2017	02 March 2018
2.1.3	09 November 2017	02 March 2018
4.7.3	09 November 2017	02 March 2018
4.7.4	09 November 2017	02 March 2018

The CAR allows for extensions in the event that "on-site verification is necessary to confirm conformity". Such an event is not applicable for benthic and copper monitoring as sampling results can be readily available remotely.

Furthermore, the Salmon Standard v1.1 requires specific timing, auditing processes and nonconformities procedures for benthic and copper monitoring as per *Appendix I-1 Sampling methodology for calculation of faunal index, macrofaunal taxa, sulphide and redox, and copper.* See our further comments detailed under Salmon Standard Requirements II.a).

b) 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).

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 <u>Provide a justification for the alternative timing</u>.

While the draft audit report acknowledges harvesting at Dixon Bay was not witnessed, there is no record in the report that states why 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.

More specifically, the audit report form question 9.2 asks: *Was harvesting witnessed? If not, <u>when is</u> <u>harvesting scheduled to be witnessed</u>? No answer is provided for when harvesting will be scheduled to be witnessed for Dixon Bay farm.*

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, despite the above assertion (Sheep Passage; Phillips Arm; Chancellor Channel; Westside).

In addition, the auditor suggests the witnessing of harvest at another Cermaq Canada farm in the future is sufficient for meeting the CAR's requirement of "harvest activities of the principle product" (17.4.2):

"Harvesting will be witnessed at a Cermaq Canada site prior to first surveillance audit at Dixon Bay farm"

Substituting another Cermaq Canada site for the principle product (i.e. Dixon Bay) is also in breach of CAR requirement 17.4.7:

17.4.7 An audit conducted during the harvesting of the <u>principle product</u> included for certification shall occur at least once during the validity of each certificate.

Fish processed from other Cermaq sites, including other ASC-certified farms, do not meet the definition of the 'principle product' in the context of Dixon Bay's ASC audit and, therefore, should not be used as a substitute in meeting auditing requirements.

Given the CAR requires CABs to record in the audit report: 1) whether it is possible to witness the harvest of the primary product 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.

In addition, it is a breach of the CAR requirements to substitute the witness of harvest of the principle product for certification with an alternative Cermaq farm.

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 and 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 <u>at the time of the early audit</u> or the <u>previous</u> production cycle. Therefore, the reports fail to provide <u>a full production cycle of data</u> 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 yet to be completed - allows for the potential for nonconforming 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.

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) Indicators 2.1.1; 2.1.2; 2.1.3 (benthic monitoring) and 4.7.3; 4.7.4 (copper monitoring)

The ASC audit manual states benthic and copper monitoring indicators must follow the sampling methodology outlined in *Appendix I-1 Sampling methodology for calculation of faunal index, macrofaunal taxa, sulphide and redox, and copper.*

With the release of Salmon Standard Version1.1, Appendix I-1 was updated with the following auditing guidelines:

Although the site visit should coincide with harvest period, it may be undertaken before end of harvest (at >75% peak biomass) and estimates of indicators requiring data from peak biomass / end of cycle provided in the draft report. The CAB shall review actual figures before the certification decision is made and include these figures in the final report.

Methodology for auditing indicators relating to peak biomass and end of cycle:

1) CABs shall carry out site visit audit at >75% peak biomass.

2) At the time of the audit the farm shall provide the CAB with estimates of values at that date for indicators that rely on information only available with the farm reaches peak biomass / end of cycle. The Farm shall provide the CAB with values of samples taken at peak biomass and end of cycle when they become available.

3) **CAB shall raise a non-conformity for indicators where estimated values** are used instead of actual values and note the estimated value in the draft audit report. It shall be explained in the draft audit report where figures are estimated and explain that these are to be updated in the final audit report.

4) CAB shall review the actual values and supporting evidence when they come back at peak biomass / end of cycle in order to make a certification decision.

5) **CAB shall not make a certification decision and issue final report until actual values are provided** for all indicators except biotic indicators 2.1.2 and 2.1.3.

6) In the case that biotic values are not available at the time of drafting the final report the CAB shall carry out a risk assessment to evaluate whether the biotic values are likely to meet the ASC standard. If the CAB finds evidence that the results of the biotic analyses are likely to meet the ASC standard then certification can be granted.

7) The CAB shall review biotic findings at the surveillance audit and raise non-conformities as appropriate when results have been found not meet the ASC standard.

The draft report does not confirm whether the site visit audit was conducted at the required >75% peak biomass – as per 1) of the methodology. Additionally, the report does not cite any estimates of values (based on the audit date) for the current production cycle for either the benthic (2.1.1;2.1.2;2.1.3) or copper sampling (4.7.3;4.7.4) - as per 2) of the methodology. Instead, the auditor cites the last completed production cycle values.

Although non-conformities have been raised for Dixon Bay farm for the benthic and copper indicators – these have not been processed a per the Appendix I-1 methodology.

We submit the CAB has failed to follow Salmon Standard v1.1. Appendix I-1 and its methodology for auditing indicators relating to peak biomass and end of cycle.

b) Indicator 3.1.4 Frequent on-farm testing for sea lice, with tests made easily publicly available...

Sea lice counts above 6 motile per fish cannot be viewed on Cermaq public reporting website. For example, the sea lice count dated between 15th and 20th October for Dixon Bay¹ is unable to be viewed - as it exceeds the graph axis. We submit a minor non-conformity should be raised and Cermaq advised to revise their public reporting to ensure all sea lice counts are publicly accessible and readable on the Cermaq website – therefore, ensuring the transparency intent of 'easily publicly available' is met.

c) Indicator 3.2.2 If a non-native species is being produced, evidence of scientific research...

The auditor notes "the farm produces Atlantic salmon which is a non-native species" and cites Andres 2015.

The ASC requires a credible methodology for non-native escape monitoring. Scientific studies show escapes remain a concern² and monitoring conducted by Andres³ was limited in scope and methodology. More specifically, the Andres study did not include any water bodies within the Clayoquot region (i.e. of relevance to the Dixon Bay farm). Monitoring by DFO for non-native establishment has

¹ https://www.cermaq.com/wps/wcm/connect/cermaq-ca/cermaq-canada/our-company/locations/dixon-bay-2017

² Volpe, J., B. Glickman et al. (2001). "Reproduction of aquaculture Atlantic salmon in a controlled stream channel on Vancouver Island, British Columbia." Transactions of the American Fisheries Society 130: 489-494.

Volpe, J., E. Taylor, et al. (2000). "Evidence of natural reproduction of aquaculture-escaped Atlantic salmon in a coastal British Columbia river." Conservation Biology 14: 899-903.

Fisher, A.C., Volpe, J.P. & Fisher, J.T. 2014. Occupancy dynamics of escaped farmed Atlantic salmon in Canadian Pacific coastal salmon streams: implications for sustained invasions Biol Invasions (2014) 16: 2137. doi:10.1007/s10530-014-0653-x

³ Andres, B. 2015. Summary of reported Atlantic salmon (Salmon salar) catches and sightings in British Columbia and results of field work conducted in 2011 and 2012. Can. Tech. Rep. Fish. Aquat. Sci. 3061: 19 p.

been largely non-existent and, until recently, their Atlantic Salmon Watch program defunct. A recent study found DFO wild salmon monitoring to woefully inadequate, with around half of B.C. wild salmon streams not monitored⁴ – therefore making it virtually impossible to detect non-native salmon.

Specifically, evidence of compliance for 3.2.2C requires:

"C. Confirm that the scientific research included: multi-year monitoring for non-native farmed species; used credible methodologies & analyses; and underwent peer review..."

No such scientific study, as required by the ASC, currently exists for the B.C. region. An independent scientific research study that is multi-year, with credible and appropriate methodology and analyses and underwent peer review should be required for B.C. salmon farmers to demonstrate compliance with Indicator 3.2.2.

⁴ Price, MHH, English, KK, Rosenberger, AG, MacDuffee, M & Reynolds, JD (2017). Canada's Wild Salmon Policy: an assessment of conservation progress in British Columbia,

Canadian Journal of Fisheries and Aquatic Sciences, https://doi.org/10.1139/cjfas-2017-0127