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**Stakeholder Submission RE: Initial Full Assessment Report, Marine Harvest Canada's Harwicke farm,  
by SAI Global Assurances Services**

Upon review of the draft Aquaculture Stewardship Council (ASC) audit for MHC's Hardwicke 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) 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) 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; **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.

**c) Unit of Certification: Intermediary farm**

The CARv2.0 Annex A – *The ASC Vocabulary* states the following definition for the term ‘Unit of Certification’:

*“The operation that is covered by a certificate. It includes all production and processing sites including the receiving water bodies, any harvest sites such as production ponds, and all storage or processing operations (including subcontracted operations) up to the point where the product enters further chain of custody.”*

As a production site and a stage of the production operations that occurs before the product enters the chain of custody, intermediary stages meets the CAR ‘unit of certification’ definition.

Marine Harvest Canada reporting notes the Hardwicke farm begun receiving fish from the intermediary farm, Swanson, on September 27<sup>th</sup> 2016.<sup>1</sup> Therefore, it would be expected that the salmon standard criteria must be applied to this part of the production cycle. For example, see Indicators 5.2.9/8.16 and Criterion 7.1/7.2 below.

When applicable salmon standard criteria are not correctly applied to all production sites as per the Unit of Certification CAR definition, non-compliance is likely to be missed or omitted. Therefore, all production operations and sites in the unit of certification should be included to ensure compliance with the ASC salmon standard indicators and integrity of the chain of custody.

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<sup>1</sup> [http://marineharvest.ca/globalassets/canada/pdf/additional-information-sharing/2016-sea-lice/allsites\\_sep\\_2016\\_web.pdf](http://marineharvest.ca/globalassets/canada/pdf/additional-information-sharing/2016-sea-lice/allsites_sep_2016_web.pdf)

## 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 3.1.4 Frequent on-farm testing for sea lice, with tests made easily publicly available...**

As per the audit manual and salmon standard, footnote 41 requires monthly sea lice testing during the non-sensitive period for wild salmonids. Indicator 3.1.4 also requires the results to be made public within seven days of testing.

On review of Marine Harvest Canada's public reporting page for Hardwicke farm,<sup>2</sup> the last sea lice count was reported August 10<sup>th</sup> 2017.<sup>3</sup> Therefore, six weeks has passed and MHC has failed to report on their September monthly sea lice count - warranting a non-conformity to indicator 3.1.4.

#### **b) 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", yet fails to provide the scientific research on the risk of establishment of the species. 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..."

The CAB inappropriately states this requirement to be "not applicable" with no justification.

#### **c) Indicators 5.2.9 and 8.16 Number of treatments of antibiotics over the most recent production cycle**

The Salmon Standard requires:

"≤ 3 treatments of antibiotics over the most recent production cycle"

The Standard clearly calls on the count being from the production cycle – not the farm site and/or hatchery in isolation.

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<sup>2</sup> [http://marineharvest.ca/planet/salmon\\_certification/sites-under-assessment-for-asc/data-reporting-for-hardwicke-island/](http://marineharvest.ca/planet/salmon_certification/sites-under-assessment-for-asc/data-reporting-for-hardwicke-island/)

<sup>3</sup> <http://marineharvest.ca/link/218580ecd2ef4d64a1c894d79e72e356.aspx>

The draft audit report lists the following antibiotic treatment date for the hatchery stage of the most recent production cycle:

Treatment 1 – Florfenicol, March 2016 (Ocean Falls Hatchery)

No antibiotic treatments are listed for Hardwicke farm. However, the auditor fails to mention the intermediary farm, Swanson. DFO sea lice records for Swanson indicate an antibiotic treatment was administered in May, 2016:

“2<sup>nd</sup> count precluded by **health management activities**”<sup>4</sup>

Therefore, it appears the *production cycle* has experienced 2 antibiotic treatments. The ASC audit should be updated to reflect the true count as per the ASC salmon standard.

**d) Indicator 8.1 Compliance with local and national regulations on water use and discharge...**

Indicator 8.1 is marked “compliant” despite the fact the Dalrymple Creek hatchery “frequently fails to comply with Ministry of Environment (MOE) requirements for TSS and total phosphorus”. Numerous audit reports (including Marsh Bay, Bull Harbour, Duncan Island, Goat Cove, Glacier Falls and Monday Rock) refer to a 2014 letter by MOE deciding not to press enforcement, so long as progress is made by MHC with the installation of advanced treatment systems at the hatchery. However, the non-compliance with the ASC salmon standard indicator 8.1 remains, and is in fact confirmed by the letter, which only defers enforcement of the breach. The draft report evidence states MHC continues to submit monitoring data, as legally required, and no advanced treatment system has been installed.

Firstly, we submit the CAB is inappropriately applying the provincial enforcement thresholds, rather than the ASC standard requirement. Secondly, the intent of the ASC Indicator 8.1 is that companies **must demonstrate compliance** with water use and discharge regulations, not merely *respond with plans* to remediate identified non-compliance. Therefore, we submit Dalrymple Creek hatchery ought to have a Major Non-conformance 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)**

Hardwicke’s intermediary farm, MHC’s Swanson farm is currently being occupied by members of Musgamagw Dzawada’enuxw and the Kwikwasutinuxw Haxwamis<sup>5</sup>. The First Nations clearly state they have no agreement with MHC and are asking for the provincial and federal governments to revoke salmon farming licences in their traditional territories.

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<sup>4</sup> <http://www.pac.dfo-mpo.gc.ca/od-ds/aquaculture/lice-count-dens-pou-2016-rpt-pac-dfo-mpo-aquaculture-eng.csv>

<sup>5</sup> <http://www.cbc.ca/news/canada/british-columbia/b-c-first-nations-occupy-a-second-salmon-farm-as-company-raises-safety-concerns-1.4273628>

The draft audit report fails to acknowledge that the intermediary farm, Swanson, 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.

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, the 'Unit of Certification' clearly does not conform to Criteria 7.2 and 7.3 of the salmon standard.