

Aquaculture Stewardship Council Seriola/Cobia Standard 2017 Initial Assessment Report

Kurose Suisan Kaisha, Ltd.

Onsite Dates: July 10 - 13, 2017

Draft Report Release Date: September 11, 2017

Final Report: December 15, 2017

PDF 1 Public Disclosure Form

PDF 1.1 Name of CAB

SCS Global Services

PDF 1.2 Date of Submission

November 17, 2017

PDF 1.3 CAB Contact Person

PDF 1.3.1 Name of Contact Person

Juan Aguirre

PDF 1.3.2 Position in the CAB's-organisation

Project Manager Aquaculture Certification

PDF 1.3.3 Mailing address

2000 Powell Street, Suite 600
Emeryville, California, 94608
USA

PDF 1.3.4 Email address

jaguirre@scsglobalservices.com

PDF 1.3.5 Phone number

+1 (510) 452-6395

PDF 1.3.6 Other

PDF 1.4 ASC Name of Client

PDF 1.4.1 Name of Company

Kurose Suisan Kaisha, Ltd.

PDF 1.4.2 Name of Contact Person

Fukushima Hisashi

PDF 1.4.3 Position in the client's organisation

Assistant Manager - Management and Planning Division,
Marine Department

PDF 1.4.4 Mailing address

Nishihama 2-15-4, Kushima-shi
Miyazaki 888-0012
Japan

PDF 1.4.5 Email address

fukushima@kurosui.co.jp

PDF 1.4.6 Phone number

+81 (0)987-72-7700

PDF 1.4.7 Other

PDF 1.5 Unit of Certification

PDF 1.5.1 Single Site

No

PDF 1.5.2 Multi-site

Yes

PDF 1.5.3 Group certification

No

PDF 1.6 Sites to be audited

Site Name	GPS Coordinates	Other Location Information	Planned Site Audit(s)	Date of planned audit
Kushima	31°26'02.5"N 131°12'45.5"E	Miyazaki Prefecture, Kyushu, Japan	Kushima Farm Site	July 10, 2017
Nobeoka	32°33'19.2"N 131°44'24.5"E	Miyazaki Prefecture, Kyushu, Japan	Nobeoka Farm Site	July 11, 2017
Uchinoura	31°17'18.0"N 131°06'42.2"E	Kagoshima Prefecture, Kyushu, Japan	Uchinoura Farm Site	July 12, 2017

PDF 1.7 Species and Standards

Standard	Species (scientific name) produced	Included in scope (Yes/No)	ASC endorsed standard to be used	Version Number
ASC Seriola and Cobia Std. V 1.0	Rachycentron canadum	Yes		

PDF 1.8 Planned Stakeholder Consultation(s) and How Stakeholders can Become Involved

Name/organisation	Relevance for this audit	How to involve this stakeholder (in-person/phone interview/input submission)	When stakeholder may be contacted	How this stakeholder will be contacted
Nobe Kazuki/Kushima city hall	Government Official	In-person (stakeholder meeting)	July 6, 2017	e-mail
Hiroshi Kadogawa/Kushima city hall	Government Official	In-person (stakeholder meeting)	July 6, 2017	fax
Yano Sadatsugu/Kushima Chamber of commerce and industry	Community member	In-person (stakeholder meeting)	July 6, 2017	e-mail
Watanabe Makahiko/Kushima city fisheries cooperative	Community member (local fisheries cooperative)	In-person (stakeholder meeting)	July 6, 2017	e-mail
Omoto Reiko/University of Miyazaki	University lecturer/researcher	In-person (stakeholder meeting)	July 6, 2017	e-mail
Maekawa Satoshi/WWF Japan	NGO	In-person (stakeholder meeting)	July 6, 2017	e-mail
Yamauchi Aiko/WWF Japan	NGO	In-person (stakeholder meeting)	July 6, 2017	e-mail

PDF 1.9 Proposed Timeline

PDF 1.9.1	Contract Signed:	June 1, 2017
PDF 1.9.2	Start of audit:	July 10, 2017
PDF 1.9.3	Onsite Audit(s):	July 10 - 14, 2017
PDF 1.9.4	Determination/Decision:	

PDF 1.10 Audit Team

	Role	Name
PDF 1.10.1	Lead Auditor:	Juan Aguirre
PDF 1.10.2	Technical Experts:	Nina Ileva
	Translator:	Nina Ileva Shin-ichi Matsuura
PDF 1.10.3	Social Auditor:	Tomoko Shiroki

1 Title Page

1.1 Name of Applicant	Kurose Suisan Kaisha, Ltd.
1.2 Report Title	Final Report for Certification
1.3 CAB name	SCS Global Services
1.4 Name of Lead Auditor	Mr. Juan Aguirre
1.5 Names and positions of report authors and reviewers	Lead Auditor Juan Aguirre Technical Expert - Nina Ileva Social Auditor - Tomoko Shiroki Technical Auditor - Gregory Berke Certification Decision - Jason Swecker
1.6 Client's Contact person: Name and Title	Fukushima Hisashi: Assistant Manager - Management and Planning Division, Marine Department
1.7 Date	December 15, 2017

2 Table of Contents

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Section 4: Audit Checklist
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3 Glossary

Terms and abbreviations that are specific to this audit report and that are not otherwise defined in the ASC glossary

ABC: Allowable Biological Catch
ABM: Area-Based Management
ADD/AHD: Acoustic Deterrent device/Acoustic Harassment Device
AED: Automated External Defibrillators
AM: Ampicillin
ASC: Aquaculture Stewardship Council
AZE: Allowable Zone of Effect
BOD: Biochemical Oxygen Demand
CAB: Conformity Assessment Body
CI: Confidence Interval
CIO: Confidential Information Omitted
CR: Critically Endangered
DO: Dissolved Oxygen
EEZ: Exclusive Economic Zone
eFCR: Economic Feed Conversion Ratio
EN: Endangered
EPAA: Epidemic Prevention in Aquatic Animals
ER: Erythromycin
EW: Employees Work Regulations
FAO: Food and Agriculture Organization
FFDRm: Fishmeal Forage Fish Dependency Ratio
FFDRo: Fish Oil Forage Fish Dependency Ratio
FIP: Fisheries Improvement Project
GPS: Global Positioning System
HR: Human Resources
ISEAL: International Social and Environmental Accreditation and Labeling
ISO: International Organization for Standardization
IUCN: International Union for Conservation of Nature
JFA: Japanese Food Agency
KPFTDC: Kagoshima Prefectural Fisheries Technology and Development Center
MAFF: Ministry of Agriculture, Forestry and Fisheries, Japan
MBRIJ: Marine Biological Research Institute of Japan Co., Ltd
MCR: Microbial Resistance Counter-measures
MPFES: Miyazaki Prefectural Fisheries Experiment Station
MSC: Marine Stewardship Council
MSDS: Material Data Safety Sheets
N-AHMS: Nissui Aquaculture Health Management System
NC: Non-conformity
OIE: World Organisation for Animal Health
ORP: Oxidation Reduction Potential
PPE: Personal Protective Equipment
RM: Raw Material
SFDDADU: Survey about Fish Diseases Damages and Aquaculture Drugs Usage

4 Summary

A concise summary of the report and findings. The summary shall be written to be readable to the stakeholders and other interested parties.

4.1	A brief description of the scope of the audit	Initial Certification Audit to ASC Seriola & Cobia Std. v1.0 of three Japanese Amberjack (<i>Seriola quinqueradiata</i>) farms belonging to Kurose Suisan Kaisha, Ltd.
4.2	A brief description of the operations of the unit of certification	Kurose Suisan Kaisha, Ltd. established in 2004, has about 182 employees. It farms yellow tail (<i>S. quinqueradiata</i>) in three farming locations using a total of 424 sink system cages: <ul style="list-style-type: none"> • Kushima city, Miyazaki: 200 cages • Nobeoka city, Miyazaki: 140 cages • Uchinoura town, Kagoshima: 84 cages All three sites are managed from a central structure in Kushima with the same procedures. The receiving water bodies are: Shibushi Bay, Ochinoura Bay and Nobeoka Bay where the water temperature ranges from an average of 16-18o C during the winter to about 26-28o C during summer. The average salinity is 33 ppt throughout the production cycle. Water quality is good with generally high DO values. Predators are not considered a problem.
4.3	Type of unit of certification	Multisite
4.4	Type of audit	Initial
4.5	A summary of the major findings	Kurose had 8 major and 1 minor NC's in the technical principles, and 7 minor NC's in the social principles. Once the Major NC's (relating mostly to feed information are closed), and Minor NC's pertaining to the social principles the company appears well prepared to meet the requirements of the ASC Seriola Standard.
4.6	The Audit determination	

5 CAB Contact Information

5.1	CAB Name	SCS Global Services
5.2	CAB Mailing Address	2000 Powell Street, Suite 600 Emeryville, CA 94608 USA
5.3	Email Address	jaguirre@scsglobalservices.com
5.4	Other Contact Information	+1 (510) 452-8000

6 Background on the Applicant

6.1	Information on the Public Disclosure Form (Form 3) except 1.2-1.3 All information updated as necessary to reflect the audit as conducted.	Audits were conducted from July 10 to July 13 2017. Audit started at the central office in Kushima with document review and then continued with sea cage inspections in Kushima. The following days the sites in Uchinoura and Nobeoka were inspected with interview with personnel at those sites.
6.2	A description of the unit of certification (<i>for initial audit</i>) / changes, if any (<i>for surveillance and recertification audits</i>)	See 4.2 above. Farms use square net cages, all are 10 m x 10 m x 8 m. (WxLxD). The cages (nets) are made of galvanized steel, with secondary nylon nets, and nylon nets on top as well. Cages are designed to sit a few meters under the surface, and are raised by filling floating tanks with air for feeding and other operations. Two sizes of steel nets and several sizes of nylon nets are using according to fish size. Nets and cages are washed and cleaned on land at a separate facility. Fish are stocked at ~ 5,000 per cage and grown for approximately 2 years until harvest. Harvest weight is 3.5 to 5 kg. Kurose produce about 8 thousand tons of yellowtail per year.
6.3	Other certifications currently held by the unit of certification	None Identified
6.4	Other certification(s) obtained before this audit	None Identified
6.5	Estimated annual production volumes of the unit of certification of the <u>current</u> year	1,505,190 Fish/8,064,573 kg
6.6	<u>Actual</u> annual production volumes of the unit of certification of the <u>previous</u> year	1,531,474 Fish/7,810,179 kg (for the period from 2016/4 to 2017/4)
6.7	Production system(s) employed within the unit	Sea cages
6.8	Number of employees working at the unit of certification	110

7 Scope

7.1	The Standard(s) against which the audit was conducted, including version number	ASC Seriola and Cobia Std. V 1.0
7.2	The species produced at the applicant farm	<i>Seriola quinqueradiata</i>
7.3	A description of the scope of the audit including a description of whether the unit of certification covers all production or harvest areas (i.e. ponds) managed by the operation or located at the included sites, or whether only a sub-set of these are included in the unit of certification. If only a sub-set of production or harvest areas are included in the unit of certification these shall be clearly named	All production areas: Kushima, Nobeoka and Uchinoura are covered under the scope.
7.4	The names and addresses of any storage, processing, or distribution sites included in the operation (including subcontracted operations) that will potentially be handling certified products, up until the point where product enters further chain of custody.	None. Product is delivered to Kurose's processing plant in Kushima which has independent CoC certification.
7.5	Description of the receiving water body(ies).	The receiving water bodies for the Kushima and Uchinoura farm is: Shibushi Bay, and for the Nobeoka farm is the Pacific ocean. Water temperature ranges from an average of 16-18o C during the winter to about 26-28o C during summer. The average salinity is 33 ppt throughout the production cycle. Water quality is good with generally high DO values. Predators are not considered a problem.

8 Audit Plan

8.1	The names of the auditors and the dates when each of the following were undertaken or completed: conducting the audit, writing of the report, reviewing the report, and taking the certification decision.	See 1.5 above. Onsite Audits: July 10 - 13, 2017 Report Writing: July, 2017 Technical Review: August 28, 2017 Certification Decision: December 15, 2017
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8.4 Audit plan as implemented including:

	Dates	Locations
8.4.1	Desk Reviews	June 1, 2017
8.4.2	Onsite audits	SCS HQ
		July 10 - 13, 2017
		Kushima, Uchinoura, Nobeoka, Kyushu Island Japan
8.4.3	Stakeholder interviews & Community meeting	July 11, 2017
8.4.4	Draft report sent to client	Kushima
8.4.5	Draft report sent to ASC	August 20, 2017
8.5.5	Final report sent to Client and ASC	September 11, 2017
		December 15, 2017

8.7	Names and affiliations of individuals consulted or otherwise involved in the audit including: representatives of the client, employees, contractors, stakeholders and any observers that participated in the audit.	<p><u>Kurose Suisan Kaisha, Ltd.:</u></p> <ul style="list-style-type: none"> Yamase Shigetsugu (President & CEO) <p><u>Marine Department:</u></p> <ul style="list-style-type: none"> Ohno Yasuhiro (Division Mgr.) Fukushima Hisashi (Management and Planning Div., Assist. Mgr.) Todoroki Kazuhisa (Dir. & Marine Depart. Mgr.) Kawano (Assist. Mgr. & Environmental Div. Mgr.) Hidaka (Breeding Div. Mgr.) Mohara Takehiko (Uchinoura Branch, Marine Dept., Div. Mgr.) Shibamura (Nobeoka Branch, Marine Dept., Breeding Div. Mgr.) Furukawa Kazuhito (Nobeoka Branch, Marine Dept., Branch Mgr. & Environment Section Mgr.) <p><u>General Affairs Department:</u></p> <ul style="list-style-type: none"> Nakatsuru Takahiro (General Affairs, Division Mgr.) Itaya Osamu (General Affairs Mgr.) <p><u>Food Products Department:</u></p> <ul style="list-style-type: none"> Sakuragi (Assist. Mgr. & QC Div. Mgr.) Kawano Shinya (Manager) <p><u>Divers:</u></p> <ul style="list-style-type: none"> Kitagawa Makoto Hashino Keiichiro Hashino Toshiro Muranaka <p><u>Other employees:</u></p> <ul style="list-style-type: none"> Takayama Ryuichi Kinoshita Munenari Sakata Yuichi Kawasaki Takanori Yoshida Kouki Tanaka Shigeki Kai Sachiyo Kondo Satsumi Hashino Satomi Joice Jean Redura Maeda Ide Shingo Omi Ken Kitagawa Makoto Kaneyoshi Motomichi Hakumoto Yuki ASI: Marcelo Hidalgo (ASI assessor) & Eric Nance (ASI interpreter)
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8.8 Stakeholder submissions, including written or other documented information and CAB written responses to each submission.

Name of stakeholder (if permission given to make name public)	Relevance to be contacted	Date of contact	CAB responded Yes/No	Brief summary of points Raised	Use of comment by CAB	Response sent to stakeholder
Takeda Hidehiro	Kushima City Hall	July 6, 2017	N/A	Positive comments about Kurose's contribution to local community in form of employment, involvement with the local community in environmental projects, etc.		N/A
Nobe Kazuki	Kushima City Hall	July 6, 2017	N/A	Positive comments about Kurose's contribution to the local community		N/A
Yano Sadatsugu	Kushima Chamber of Commerce and Industry	July 6, 2017	N/A	Positive comments about Kurose's contribution to the local community		N/A
Watanabe Makahiko	Kushima City Fisheries Cooperative	July 6, 2017	N/A	Positive comments about Kurose's contribution to the local community		N/A
Omoto Reiko	University of Miyazaki, Center for Collaborative Research & Community Cooperation	July 6, 2017	N/A	Positive comments about Kurose's contribution to the local community		N/A
Maekawa Satoshi	WWF Japan	July 6, 2017	Yes	During the assessment, it is necessary to verify records for what kind of wild animals are available (especially sea turtles, birds, mammals, sharks) as well as a third party's (expert) conclusion on the extend of the impact, and the necessity for counter-measures and improvement. (In relation to 2.3.1)	Wild animals records were checked as well as a third party (expert) opinion was checked and the results were reflected in the report.	The comment will be (and was) taken into account while conducting the on-site audit.

Commercially sensitive information has been omitted in this report relating to result notes for Principle 4. Feed producers and feed blends' names were replaced by numbers or letters. Other confidential information that has been omitted in the report are certificates' validity dates, CABs' names, is denoted as CIO: Confidential Information Omitted. The confidential information was added to a confidential annex which is made available to the ASC: Annex A: Confidential.

AUDIT MANUAL - ASC SERIOLA/COBIA STANDARD					
Created by the Seriola/Cobia Aquaculture Dialogue (SAD)					
Scope: Seriola quinqueradiata, Seriola dumerili, Seriola rivoliana, Seriola lalandi and cobia Rachycentron canadum					
PRINCIPLE 1: COMPLY WITH ALL APPLICABLE INTERNATIONAL, NATIONAL AND LOCAL LAWS AND REGULATIONS					
1.1. Criteria: All applicable legal requirements and regulations where farming operation is located					
CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
1.1.1	Indicator: Documents demonstrating compliance with all relevant local and national laws and regulations. Requirement: Yes. Applicability: All.	<div>a. Maintain digital or hard copies of applicable land and water use laws. Provide the audit team with a summary of applicable laws and permit requirements along with contact details for relevant staff.</div> <div>b. Maintain original (or certified copies of) lease agreements, land titles and concession permit(s) on file as applicable.</div>	<p>A - There are 3 main applicable laws: one for water area use (Fisheries Act) and 2 for land use depending if the land is Kurose’s property (Real Property Registration Act) or leased (Act on Land and Building Leases). For the client’s operation, the requirements of the following three national laws mainly apply: (1) Real Property Registration Act, (2) Act on Land and Building Leases, (3) Fisheries Act, and (4) Sustainable Aquaculture Production Assurance Act. The client had hard copies of each, as well as web links, where the digital copies of the same can be found. The first two are applicable to the land use. For the water area use, the Fisheries Act’s fishing rights apply. The fishery right gives the exclusive right to a specific fishery over defined water surface over a specified period of time. There are three types of fishery rights: fixed-gear fishery right, demarcated fishery right, and a joint fishery right. The yellowtail farms fall under the demarcated fishery right. Demarcated fishery right is the right to operate aquaculture farms in a designated area given by the prefectural governor. Among this, the fisheries cooperatives that has the license for a special demarcated fishery right, gives a license (certificate) for the use by a union member (usually for 5 years period), so the union member operates the farm under the control of the fishery cooperative. The above applies to Kurose and the operate according to the fishery rights use rules set by the cooperative.</p> <p>B - Evidence for legal compliance includes: For land use:</p> <ul style="list-style-type: none">• Registration certificate issued by Miyazaki Regional Legal Affairs Bureau for Kushima location (Real estate # 3516000088631) 2013/11/29 1 Sale/Purchase contract (from the predecessor company) for the above land (includes office, two parking lots, processing factory land)• Permits for the food division to use Fukushima harbor land (renewed monthly) and facilities (2017/4/1~2017/3/31) at Kushima location 1 Lease contract (Uchinoura location) with Uchinoura Fisheries cooperative signed on 2009/9/24 with a self-renewal clause• Lease contract (Nobeoka location) with Miyazaki prefecture fisheries cooperative for 5-year period 2004/4/1~2009/3/31 and with a self-renewal clause <p>For water use:</p> <ul style="list-style-type: none">• Demarcated Fishery Rights Contract for marine area 16-1 (Kushima farm) signed with Kushima city fisheries cooperative on 2016/12/19 for 2017/1/1~2017/12/31 period• Demarcated Fishery Rights Contract for marine area 16-2 (Kurose farm) signed with Kushima city fisheries cooperative on 2016/12/19 for 2017/1/1~2017/12/31 period• Demarcated Fishery Rights Contract (Urashiro and Urashiro-oki farms) signed with Nobeoka city fisheries cooperative on 2004/3/31 for 2004/3/~2004/8/31 period (for marine areas 7-1, 7-3, 7-4); and on 2010/4/1 for period 2010/4/1~2011/3/31 (for marine area 7-6); all with a self-renewal clause• Memorandum for 2017 payment for the fishery rights for marine areas 7-1, 7-3, 7-4, 7-6 (i.e. Urashiro and Urashiro-oki farms) signed with Nobeoka city fisheries cooperative on 2017/2/24• Demarcated Fishery Rights Contract for marine area 6-3 (Shimauro farm) signed with Shimauro town fisheries cooperative on 2013/9/1 for 2013/9/1~2014/8/31 period with a self-renewal clause• Fishery license for marine area 95 (Uchinoura farm) valid from 2013/9/1~2018/8/31 (5 years) signed on 2013/9/1 with Uchinoura fisheries cooperative 1 Special Demarcated Fishery Rights Contract (Uchinoura farm) signed with Uchinoura fisheries cooperative on 2013/9/1 (as the above) <p>* The above contracts contain the relevant location maps. (*As Uchinoura farm is located in Kagoshima prefecture, the fishing right documents slightly differ from the other locations, which are in Miyazaki prefecture.)</p> <p>Valid vessels registration documents observed</p> <ul style="list-style-type: none">• Registration # MZ2 – 30040, vessel name: Kurose # 60, with a stamp showing last inspection date from the prefecture was on 2014/10/1 and next inspection is to be on 2019/9/1 (every 5 years);• Registration # KG2 – 7003, vessel name: Kurose # 3, with a stamp showing last inspection date from the prefecture was on 2017/4/7 and next inspection is to be on 2020/3/7;	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUATION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
		c. Keep records of inspections for compliance with national and local laws and regulations (only if such inspections are legally required in the country of operation).	<ul style="list-style-type: none"> Registration # WZZ – 10422, vessel name: Kurose # 103, with a stamp showing next inspection is to be on 2021/3/27; Valid boat crane inspection seals observed. (ex. seal # 02291, monthly last done in March 2017; and annual seal # 042540 - last annual in October 2016). Annual and (several)monthly 3rd party inspections are required by the Japan Construction Machinery and Construction Association Valid Permits of Boat's operators observed (ex. Fukada Kazutaka; Hashino Keiichiro) <p>Based on the Sustainable Aquaculture Production Assurance Act the local Fisheries cooperatives have developed and implemented "Aquaculture Ground Improvement Programs". The programmes are to be implemented from 2014/5/30 till 2018/8/31. To follow the implementation of these programs, local government has been surveying the water and sediment quality in the farm's area. The initial survey results were observed:</p> <ul style="list-style-type: none"> Kushima and Kurose farms results for samples taken on 2013/9/30 1 Nobeoka farms results for samples taken on 2013/11/15 Uchinoura farm results dated 2014/1/27 for samples taken on 2014/1/8 <p>As the initial results from this surveys for Kushima and Nobeoka locations have shown a good water quality, Miyazaki prefecture has suspended the water quality sampling and surveys for these locations. The most recent survey results were observed as follows:</p> <ul style="list-style-type: none"> Kushima and Kurose farms results dated 2017/3/10 for benthic samples taken on 2016/10/11 1 Nobeoka farms results dated 2017/1/31 for benthic samples taken on 2016/10/19 Uchinoura farm results dated 2016/10/6 for both water and benthic samples taken on 2016/9/28 <p>C - N/A as no inspections are required by law.</p>		
		d. Others, please describe			
1.1.2	Indicator: Documents demonstrating compliance with all tax laws. Requirement: Yes. Applicability: All.	a. Provide a certificate of tax clearance or tax law conformity from local Revenue authority; OR Maintain records of tax payments to appropriate authorities (e.g. land use tax, water use tax, revenue tax). Note that CABs will not disclose confidential tax information unless client is required to or chooses to make it public. b. Demonstrate that the farm ensures compliance with tax laws appropriate to its size and scale. Large-scale producers should for instance use the services of a qualified and knowledgeable tax professional such as a chartered Public Accountant to manage overall compliance with taxation law. Small-scale producers should show tax receipts. c. If tax is paid by a parent company legally then the farm should present information to this effect. d. Others, please describe	A - 1 Certificates for tax payment issued to Kurose Suisan Kaisha Ltd. by Miyazaki prefecture's Nichinan tax office on 2017/6/2. Includes payment evidence for: corporate tax, consumption tax, local consumption tax, prefectural taxes, special local corporation tax. 1 A copy of full tax payment certificate stamped by the Kushima city mayor on 2017/6/2. 1 Real-estate tax payment receipts (from Kushima city) including for the last quarter of 2016. B. - 1 Consulting Agreement with a tax counsellor signed in May 2004 with a self-renewal clause was observed. C. - N/A	Compliant	
1.1.3	Indicator: Documents demonstrating compliance with all labor laws and regulations. Requirement: Yes. Applicability: All	a. Demonstrate how the farm conforms with the requirements of national and regional/local labor codes and employment law. b. Keep records of farm inspections for compliance with national labor laws and codes (only if such inspections are legally required in the country of operation). c. Others, please describe	A. The following documents were reviewed: Employment Notice, Time cards, Timesheets, Payroll, insurance document, and other documents specified under Principle 6. Interviews with workers, leader workers, head and staff of HR department were conducted. It was confirmed that the Company conforms with the requirements of national employment laws. B - N/A, Inspections for compliance with national labor laws are not legally required in Japan.	Compliant	
1.1.4	Indicator: Documents demonstrating compliance with regulations and permits concerning water quality impacts. Requirement: Yes. Applicability: All.	a. Obtain permits for discharge water where applicable. b. Maintain records of monitoring and compliance with discharge laws and/or regulations as required. c. Maintain records of monitoring and compliance with waste and pollution laws/regulations. d. Others, please describe	A - N/A, According to the Water Pollution Prevention Act, only Kurose Suisan Kaisha's processing factory effluent is considered an industrial waste water and the relevant Act requirements apply. 1 Measurement certificates for pre- and post-treatment effluent analyses (made by a third party) dated 2017/6/3 for samples taken on 2017/5/26 (includes pH, BOD, SS, Coliform count, Nitrogen content). Also, see the above 1.1.1B "Aquaculture Ground Improvement Programmes" surveys. B. N/A C. N/A	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
PRINCIPLE 2: CONSERVE NATURAL HABITAT, LOCAL BIODIVERSITY AND ECOSYSTEM STRUCTURE AND FUNCTION					
Criterion 2.1 Benthic biodiversity and benthic effects					
2.1.1	<p>Indicator: TOC , sulphide, or redox levels in sediment immediately outside of Allowable Zone Effect (AZE)(1) attributable to farm operations as evidenced by control.</p> <p>Requirement: No significant change in TOC, sulphide, or redox levels in sediment at the edge of the AZE in comparison to the control site..</p> <p>Applicability: All farms except as noted in footnote 1. For farms that have yet to define an AZE, within 3 years from the publication of the Seriola and Cobia standards.</p>	<p>a. Prepare a map of the farm showing boundary of AZE and GPS locations of all sediment-sampling stations. If the farm uses a site-specific AZE, provide justification for its selection to the CAB.</p> <p>OR (for farms that have yet to define an AZE and for up to 3 years from the publication of the Seriola and Cobia standards) Prepare a map of the farm showing GPS locations of all sediment-sampling stations.</p> <p>b. If benthos throughout the full AZE is hard bottom, provide evidence to the CAB and request an exemption from 2.1.1a-g, and 2.1.2.</p> <p>c. Inform the CAB of which indicator the farm has selected for evaluating and monitoring benthic impact.</p> <p>d. Collect sediment samples using an appropriate methodology and sampling regime, following the guidance in the Seriola and Cobia Standards (i.e. at the time of peak cage biomass and at all required stations).</p> <p>e. For option #1, measure and record redox potential (mV) in surficial sediment samples taken from immediately outside the AZE as well as at an un-impacted control site far removed from the farm using an appropriate, nationally or internationally recognized testing method.</p> <p>f. For option #2, measure and record sulphide concentration (uM) in surficial sediment samples taken from immediately outside the AZE as well as at an un-impacted control site far removed from the farm using an appropriate, nationally or internationally recognized testing method.</p> <p>g. For option #3, measure and record Total Organic Carbon (e.g. % by weight) in surficial sediment samples taken from immediately outside the AZE as well as at an un-impacted control site far removed from the farm using an appropriate, nationally or internationally recognized testing method.</p> <p>h. Others, please describe</p>	<p>N/A Kurose is working toward defining a site-specific AZE together with some preliminary indicator testing. They would like to use the optional deadline of three years from the standard publication to comply with this indicator.</p> <p>The client would like to use the optional deadline of three years from the standard publication to comply with this indicator as a specific AZE is yet to be defined.</p>	N/A	
2.1.2	<p>Indicator: Abundance of harmful (invasive or noxious) macrofauna immediately outside of AZE attributable to farm operations as evidenced by control.</p> <p>Requirement: No significant change in harmful macrofauna at the edge of the AZE in comparison to the control site..</p> <p>Applicability: All farms except as noted in footnote 1. For farms that have yet to define an AZE, within 3 years from the publication of the Seriola and Cobia standards.</p>	<p>a. Prepare a map of the farm showing boundary of AZE and GPS locations of all sediment-sampling stations. If the farm uses a site-specific AZE, provide justification for its selection to the CAB.</p> <p>OR (for farms that have yet to define an AZE and for up to 3 years from the publication of the Seriola and Cobia standards) prepare a map of the farm showing GPS locations of all sediment-sampling stations.</p> <p>b. If benthos throughout the full AZE is hard bottom, provide evidence to the CAB and request an exemption from 2.1.1a-g, and 2.1.2.</p> <p>c. Inform the CAB of which indicator the farm has selected for evaluating and monitoring benthic impact.</p> <p>d. Analyze epifaunal and infaunal components of sediment samples including identification to species level and enumeration of all species, for all sampling stations.</p> <p>e. Estimate proportions of all faunal species present in sediments immediately outside the AZE and at an un-impacted control site far removed from the farm and test for significance in difference (95% C.I.) in presence of opportunistic species and species that are considered to be indicators of benthic enrichment or harm.</p> <p>f. Others, please describe</p>	<p>N/A Kurose is working toward defining a site-specific AZE together with some preliminary indicator testing. They would like to use the optional deadline of three years from the standard publication to comply with this indicator.</p> <p>The client would like to use the optional deadline of three years from the standard publication to comply with this indicator as a specific AZE is yet to be defined.</p>	N/A	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
Criterion 2.2 Water quality in and near the site of operation					
2.2.1	Indicator: Turbidity levels in the water column inside and outside AZE. Requirement: No significant change in turbidity levels in the water column at the edge of the AZE in comparison to the control site. Applicability: All.	a. Devise appropriate and detailed turbidity monitoring procedure with detailed maps of sampling points and detailed methodology. b. Measure and record turbidity initially on a monthly basis at the edge of the Allowable Zone of Effect and at an un-impacted control site far removed from the farm. c. Conduct analysis of turbidity data for statistically significant difference (95% C.I.) between turbidity at the edge of the AZE and at one or more control sites far removed from any potential farm influence. d. Provide results of statistical analysis for initial 12 month turbidity monitoring e. Implement annual turbidity monitoring procedure. f. Others, please describe	A - Turbidity has been measured monthly by Secchi disk at about 1-2 hours after feeding at 2 m water depth. Samples were taken at locations inside the AZEs (in the center of block cages) and at control points, which were at least 500m away from cages edge and had similar water depth. Kushima and Shimaoura farms were omitted from the sampling plan. B - The turbidity monthly monitoring data reviewed, comply with the standard requirements i.e. the procedure has been completed for a 12-month period ending within 24 months prior to initial ASC audit: for Kurose and Uchinoura location during 2015/4~2017/5 and for Nobeoka location during 2016/5~2017/5 C - t-test was used for the statistical analysis, which can be considered appropriate. D - The turbidity monitoring for all sampling locations have indicated that there isn't a significant difference between the sampling stations within the AZE and at an un-impacted control site far removed from the farm. E - As the monitoring data hasn't indicated any significant difference, Kurose is planning to change from monthly to annual monitoring plan.	Compliant	
2.2.2	Indicator: Ammonia levels in the water column inside and outside AZE. Requirement: No significant change in ammonia levels in the water column at the edge of the AZE in comparison to the control site. Applicability: All.	a. Devise appropriate and detailed ammonia monitoring procedure with detailed maps of sampling points and methodology. The monitoring action must be appropriate for size and scale of the impact and if the farm can prove low impact over a year then don't have to monitor so frequently afterwards. b. Measure and record ammonia initially on a monthly basis at the edge of the Allowable Zone of Effect and at an un-impacted reference (control) site far removed from the influence of a farm. c. Conduct analysis of ammonia data for statistically significant difference (95% C.I.) between ammonia levels at the edge of the AZE and at one or more control sites far removed from any potential farm influence. d. Provide results of statistical analysis for initial 12 month ammonia monitoring. e. Implement annual ammonia monitoring procedure. f. Others, please describe	A - Ammonia monitoring has been done together with the turbidity monitoring. Refer to notes in 2.2.1 A above. Until 2016/7 ammonia has been measured on-site using ammonia test kit. From 2016/8 water samples were taken by Kurose by Van Dorn water sampler, filtered and sent for ammonia analysis to Marine Biological Research Institute of Japan Co., Ltd. (MBRIJ). At MBRIJ, water samples are analyzed according to the Japanese standard testing methods for industrial water JIS K 0102 (Ammonia-N JIS K 0102 42.1 and 42.2: indophenol absorption spectrophotometry) B - The ammonia monthly monitoring data reviewed, comply with the standard requirements i.e. the procedure has been completed for a 12-month period ending within 24 months prior to initial ASC audit: for Kurose and Uchinoura location during 2015/4~2017/4 and for Nobeoka location during 2016/5~2017/4. (*2017/5 results are to be received) C - t-test is to be used for the statistical analysis, which can be considered appropriate. D - The ammonia monitoring data for all sampling locations have shown values below the detection limit of the method of 0.2 mg/l NH4+N. Hence, there isn't a significant difference between the sampling stations within the AZE and at an un-impacted control site far removed from the farm. E - As the monitoring data hasn't indicated any significant difference, Kurose is planning to change from monthly to annual monitoring plan.	Compliant	
Criterion 2.3 Interaction with critical or sensitive habitats and species					
2.3.1	Indicator: Evidence of an assessment of the farm's potential impacts on biodiversity and nearby ecosystems that contains at a minimum: a) identification of proximity to critical, sensitive or protected habitats and species, b) description of the potential impacts the farm might have on biodiversity, with a focus on affected habitats or species, and c) a description of strategies and current and future programs underway to eliminate or minimize any identified impacts the farm might have. Requirement: Yes. Applicability: All.	a. Collect documentation that allows an interpretation of the farms location in the context of biodiversity and ecosystems that may be at risk from under assessment farm related impacts. The monitoring action must be appropriate for size and scale of the potential impact of the farm and if the farm can prove low impact over a year then don't have to monitor so frequently afterwards. b. Complete a detailed risk assessment for potential impacts of the farm on critical, sensitive and protected habitats and species. Demonstrate how the farm has strategies and programmes in place that are designed to minimise or eliminate negative impacts on species and habitats. c. Collect independent evidence that confirms the level of interaction and/or impact of the farm on critical, sensitive or protected habitats and species. Evidence can include stakeholder submission. d. Others, please describe	A Documentary evidence provided includes: <ul style="list-style-type: none"> • 1 Marine area within national parks list (dated 2017/3/31) • 1 Quasi-national parks with marine areas list (dated 2017/3/31) • WDPA list as of May2017: Protected areas in Japan - UICN category (www.protectedplanet.net) • Government-designated wildlife protected areas in Japan list (dated 2015/11/1) • Endangered species Red Lists for Miyazaki and Kagoshima (last updated 2015) • Kurose Risk assessment. (Described in B below) B Assessment of interaction with critical/sensitive habitats and species, and protected areas includes: <ul style="list-style-type: none"> • Lists of Critically endangered (CR) and Endangered (EN) species encountered in farms' vicinity. (for Kagoshima – Uchinoura farm, for Miyazaki – rest of the farms) • A rationale (risk analysis) concluding that from the above lists only the Japanese loggerhead turtle is probable to be affected by the farms' operations. • Mechanisms to control and restrain invaders document (The level of risk and counter-measures for birds and marine animals discussed). • Counter-measures for wildlife that has entered the cages (Birds, turtles and sharks' related risks, cause and counter-measures are discussed) C During stakeholder meeting, which was conducted as part of audit, positive comments about farm's impact and contribution to local community and no negative impact on the surrounding nature were received.	Major	Considering the scale, intensity and location of farm operations, an expert (third-party) opinion should be included in the risk assessment.

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2.3.2	Indicator: Allowance for the farm to be sited in a legally designated protected area . Requirement: None (see note above). Applicability: All.	a. Provide a map showing the location of the farm relative to nearby legally protected areas (see footnote 4). b. If the farm is sited in a legally protected area, review the scope of applicability of Indicator 2.3.2a. (see Instructions above) to determine if the farm is allowed an exception to the requirements. If yes, inform the CAB and provide supporting evidence. c. Demonstrate that the farm does not conflict with or interfere with the operation or integrity of designated parks, limited use protected areas or national preservation areas. d. Others, please describe	A - A map with Nobeoka farms in relation to Nippo-kaigan quasi-national park was received. The farms' location fall within the park limits. Kushima farms are in relevant proximity to another quasi-national park – Nichinan-kaigan (Nichinan coast), but they are not within the park limits. B - Nippo-kaigan quasi-national park is classified by the IUCN as Category V, therefore Nobeoka farms are allowed an exception to this requirement. C - N/A. *Even though an exception is allowed, Kurose explained that the use of the ocean area, according to the fishery right, is included in the description of the marine protected area. Additional evidence demonstrates also that an aquaculture setting is legally recognized within the area: an email dated 2016/1/25 from Miyazaki prefecture official (Kodama Ryusuke, Miyazaki prefecture fishing villages promotion division, fishing villages promotion person in charge) confirms that Kurose's Shimaura, Urashiro and part of Kushima farms comply with the requirements of such operation under the Natural Park Law (Article 3).	Compliant	
<i>Criterion 2.4 Interaction with wildlife, including predators</i>					
2.4.1	Indicator: Acoustic deterrent devices allowed. Requirement: None. Applicability: All.	a. Prepare a written statement affirming that the farm's management is committed to not using acoustic deterrent devices (ADDs) or acoustic harassment devices (AHDs) for control of marine pests and/or predators. b. Compile documentary evidence to show that no ADDs or AHDs are used on the farm (e.g. predator and pest control procedure and evidence of implementation). d. Others, please describe	A - A written oath from Kurose dated 2017/5/26 for not using ADDs as a predator control method was received. B - The following documents were received: (Refer to notes in 2.3.1 B) 1 Mechanisms to control and restrain invaders document 1 Counter-measures for wildlife that has entered the cages document, where birds, turtles and sharks' related potential risks, causes and counter-measures are discussed. No predator incidents in the last years, which was also cross-checked against interviews with farm staff and local stakeholders. C During the farms inspections, it was confirmed that no ADDs or AHDs are present or in -use at the facilities.	Compliant	
2.4.2	Indicator: Number of mortalities of endangered or red-listed animals in the farm lease area and adjacent areas due to farm operations or personnel or associates. Requirement: 0. Applicability: All.	a. Provide a list of endangered and red-listed animals occurring in the farm lease area and surrounding areas. b. Produce a documented record of the farm's impact on biodiversity and nearby ecosystems. Detail species/habitats, spatial/temporal aspects, type of interaction and outcome. c. Establish list of predators and pests requiring control. Identify clearly the permitted mitigation/control procedures and records that must be kept. d. Record all mortalities, species and time of the event. e. Others, please describe	A - Documents reviewed: (Refer to notes in 2.3.1 A, B) 1 Endangered species Red lists for Miyazaki and Kagoshima prefectures (last updated 2015) 1 Lists of Critically endangered (CR) and Endangered (EN) species that are probable to be encountered in Kurose farms' vicinity. B - An electronic "Farm status" record (created per month per farm) for Kushima and Kurose farms in April and May 2017 were reviewed with daily "wildlife mortality" data recorded amongst other daily data like weather details, water temperature, DO. There were no wildlife mortalities (including endangered and red listed animals) in the last 2 years, which was also cross-checked against interviews with farm staff and stakeholders. C - A written oath from Kurose, dated 2017/5/26 for not killing endangered or red listed animals at their farms was received. Also, refer to notes in 2.4.2 A and 2.4.1 B D - Refer to notes in 2.4.2 B above.	Compliant	
2.4.3	Indicator: Evidence that the following steps were taken prior to lethal action against a (non- endangered or non red-listed) predator: 1. All other avenues were pursued prior to using lethal action. 2. Approval was given from a senior manager above the farm manager. Requirement: Yes, unless human safety is immediately threatened. Applicability: All.	a. Provide a company document that sets out the procedure that must be followed prior to lethal resolution of a predator. b. Maintain a log of predator control events that allows for verification of adherence to company procedures regarding predator control. d. Others, please describe	A Documents reviewed: 1 A written oath from Kurose dated 2017/5/26 to not intentionally kill predators at their farms was received. 1 Counter-measures for wildlife that has entered the cages document (Refer to notes in 2.4.1 B above) B Refer to notes in 2.4.2 B C Staff interviewed was knowledgeable about the established procedures for managing predators.	Compliant	

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2.4.4	Indicator: Evidence that information about any lethal incident on the farm has been: 1. Reported to the appropriate government oversight agency. 2. Made easily publicly accessible. Requirement: Yes Applicability: All	a. Demonstrate that details on lethal predator management events have been transmitted to appropriate/most relevant government oversight agency. b. Demonstrate that details on lethal predator management events are made available to the public. c. Others, please describe	A - N/A, There were no wildlife mortalities in the last 2 years, therefore there was no information that needed to be reported. B - N/A, There were no wildlife mortalities in the last 2 years, therefore there was no information that needed to be made publicly available. Kurose is in the process of constructing a special section on their website, where wildlife mortalities will be made regularly available to the public. Screen shots of these were reviewed.	N/A	
2.4.5	Indicator: Maximum number of lethal incidents on farm over the prior two years. Requirement: For birds: 4 lethal incidents. For sharks: 2 lethal incidents. For marine mammals: 1 lethal incident. Applicability: All.	a. Maintain log of lethal incidents for a minimum of two years. For first audit, > 6 months of data are required. b. Calculate the total number of lethal incidents involving different species or groups of species (e.g. sharks, birds, marine mammals) during the previous two-year period. c. If the farm can demonstrate valid publicly available research that whatever is killed is hindering the recovery of any population then it may be exempt from the set requirement number in this indicator. d. Others, please describe	A Refer to notes in 2.4.2 B above. B Refer to notes in 2.4.2 B above.	Compliant	
2.4.6	Indicator: In the event of any lethal incident, evidence that an assessment of the probability of lethal incident(s) has been undertaken and demonstration of concrete steps taken by the farm to reduce the risk of future incidences. Requirement: Yes. Applicability: All.	a. Carry out documented review of lethal incidents and revise risk assessment and procedures (see 2.3.1) if necessary / as appropriate. b. Demonstrate through revision of procedures that management of predators is continually being reviewed with a view to eliminating the need for lethal management. c. Others, please describe	A There were no lethal incidents until now, but a procedure for re-assessment (cause analysis and devising appropriate counter-measures) exists in Counter- measures for wildlife that has entered the cages document. B Refer to notes in 2.4.6 A and 2.4.3 C above.	Compliant	
PRINCIPLE 3: PROTECT THE HEALTH AND GENETIC INTEGRITY OF WILD POPULATIONS					
Criterion 3.1 Culture of non-native species					
3.1.1	Indicator: Culture of a non-native species. Requirement: None, unless commercial farming of the species already occurs in the region at time of the first publication of the SCAD standards, or a closed land-based production system with minimal risk of escapes and/or pest and pathogen transfer to wild populations is used. Applicability: All.	a. Confirm to the CAB that the farm produces only native species OR. b. If non-native species, provide verifiable evidence that the species was being legally cultured commercially in the country and/or region/state prior to the publishing of the seriola and cobia standard in 2015 OR c. If the farm cannot provide evidence for 3.1.1b, provide documented evidence that the production system is closed to the natural environment and for each of the following: 1) non-native species are separated from wild fish by effective physical barriers that are in place and well maintained;2) barriers ensure there are no escapes of reared fish specimens that might survive and subsequently reproduce; and 3) barriers ensure there are no escapes of biological material that might survive and subsequently reproduce (e.g. UV or other effective treatment) by treating effluent water prior to it exiting the system to the natural environment. d. Others, please describe	Japanese Amberjack, <i>Seriola quinqueradiata</i> , is native to the area, confirmed with available species information from FAO Fishbase http://www.fishbase.se/summary/Seriola-quinqueradiata.html , etc. . It is native to the northwest Pacific Ocean, from Japan to Hawaii.	Compliant	
Criterion 3.2 Introduction of transgenic species					
3.2.1	Indicator: Culture of transgenic fish by the farm. Requirement: None. Applicability: All.	a. Prepare a declaration stating that the farm does not use transgenic stock. b. Maintain records for the origin of all cultured stocks including stocking date, supplier details, and contact person(s) for stock purchases. c. Ensure stock purchase/origin documentation clearly identifies genetic status and whether stock is transgenic or not. d. Others, please describe	Statement of no use of transgenic stock provided by the farm, signed and sealed on May 26 2017. Seed and fingerling suppliers and sources provided by farm; delivery receipts and invoices and farm traceability software were reviewed. No suspicion of transgenic stock.	Compliant	

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Criterion 3.3 Escapes					
3.3.1	<p>Indicator: For all fish, the operation must have an established plan related to escape management, and adhere to rigorous maintenance procedures and frequent net inspections.</p> <p>Requirement: Yes.</p> <p>Applicability: All.</p>	a. Prepare a Stock Escape Prevention and Management Plan that includes a detailed farm operations risk assessment and submit it to the CAB prior to the first audit. The plan should explicitly detail what maintenance procedures are critical and important in the context of avoiding escapes, including but not limited to farm equipment maintenance and frequency of net inspections.	<p>Farm has procedures for escape management; including reporting, corrective actions, preventive measures, net testing protocols, net change procedure, usable life of nettings provision. Farm operates in open net system. Detailed procedure provided by management. Also, farm uses chain link metal cages (galvanized iron) which are much more robust at preventing escapes due to pen failure or predator interactions. Farm procedures include: Prevent escaping and production process Management plan including risk assessment Hazard Analysis Worksheet, Manufacturing process control standard. Risk of escape from the physical factors of the facility documents:</p> <ul style="list-style-type: none"> • 101-5 Mojako Work Related Procedure (Uchinoura) 6. Module Network Change Procedure Manual 3. Work Procedure (2) Preparation of Modular Network(New) • 101-5 Mojako Work Related Procedure (Uchinoura) 7. Measures to escape • 102-2 Mojako work procedure manual (Nobeoka) 8. Measures to escape • Strength test results of wire mesh CNK / Feng Industry • Manufacturing process control standard <p>Farm has risk assessment including preventive and corrective measures for: Risk of escape accompanying fish handling. Installation of ceiling net. Fresh water bath, vaccines, farming and other, risks associated with overall work uncovering the ceiling net. Do not remove the ceiling net until just before work. Immediately after completion of work, winding is done and the ceiling net is fixed. Thereby reducing the risk.</p> <p>103-4 Vaccination inoculation work procedure 10. Work after vaccination inoculation</p> <p>102-2 Mojako work procedure manual (Nobeoka) 5. Vaccination 101-5 Mojako Work Related Procedure (Uchinoura) 5. Precautions</p> <p>368-4 Procedure for dividing and transferring work 3. Cleaning after farming, 4. Transfer work</p> <p>The gauge of the wire mesh and the size of the fish - Two types of wire mesh are used, 35 mm and 55 mm. At Kurose, fish with an average fish weight of 300 g or more is placed in a fish with 35 mm mesh opening, and 55 mm opening mesh is used for fish with an average fish weight of 900 g or more.</p> <p>Other requirements</p> <p>Net/mesh traceability: Purchasers can check on invoices.</p> <ul style="list-style-type: none"> · System robustness · Management of fowl animals <p>Since introduction of a floating/sinking fish preserve it was settled down, there has been no damage caused by the typhoon, so there is no problem in robustness. Also, breaking through the wire mesh by sharks has never occurred.</p> <ul style="list-style-type: none"> · Record keeping · Report of events that become risk factors <p>Although major risks are typhoons, countermeasures are stipulated in company procedures; facilities are inspected immediately after typhoon has passed, and the situation of feeding vessels, wire mesh and fish is reported to the manager of the fishing ground, work boats and related facilities will be reported wirelessly to the manager of environmental section each time. Ref: 402-3 Typhoon measures manual (Kushima). Moreover, if damage is found, it is repaired immediately with rope if it is light damage, reported orally to the fostering section of the fishing ground, the environmental section manager. If the damage is severe, fish preserves are raised to the ground. Nichimo, Kasutani net and other net vendors have regular checks of facilities. Ref: Y19 Facility Inspection Register (Nimimou) * Presented at the company's office; Y20 Fishery Cooperative Facility Inspection Record Book * Presented at company visit.</p> <p>* Storage for each fishing ground</p> <p>Employee training covering all of the above items</p> <p>Employee training on escape prevention and measurement technology, yearly and for new employees. Refer to 3.3.1e</p>	Compliant	
		b. If the farm operates an open net pen system, ensure the plan (3.3.1a): -clearly identifies the important and critical issues in the context of minimizing escape events; and -sets out clear procedures for ensuring:			
		<ul style="list-style-type: none"> • net strength testing; • use of appropriate net mesh size; • net traceability; • system robustness; • predator management; • record keeping; • reporting risk events (e.g. holes, infrastructure issues, handling errors); • staff training to cover all of the above areas; and • staff training on escape prevention and counting technologies 			
		c. If the farm operates a closed system, ensure the plan (3.3.1a): -clearly identifies the important and critical issues in the context of minimizing escape events; and -sets out clear procedures for ensuring:			
		<ul style="list-style-type: none"> • system robustness;- • predator management; • record keeping; • reporting risk events (e.g. holes, infrastructure issues, handling errors); • staff training to cover all of the above areas; and • staff training on escape prevention and counting technologies. 			
		d. Maintain records as specified in the plan.			
		e. Train staff on escape prevention planning and management as per the farm's plan.			
		g. Others, please describe			

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3.3.2	<p>Indicator: Operations will undertake and maintain detailed records on fish escapes and counting. This will include records of breaches in nets, estimates on escapes and stocked vs. recovered fish counts. Note: farms will also include technology and methodology for undertaking fish counts.</p> <p>Requirement: Yes. Applicability: All.</p>	<p>a. Maintain detailed records for mortalities, stocking count, harvest count (recovered fish), and details of escape events and possible escapes (e.g. through holes in nets).</p> <p>b. Calculate the unrecorded stock escape as described in the instructions (above) for the most recent full production cycle. For first audit, farm must demonstrate understanding of calculation and the requirement to disclose unrecorded losses after harvest of the current cycle.</p> <p>c. Make the results from 3.3.2b available publicly. Keep records of when and where results were made public (e.g. date posted to a company website) for all production cycles.</p> <p>d. Others, please describe</p>	<p>A. Farm records are complete. Farm records keep track of every lot of fish stocked per cage and any subsequent transfers (splitting) into one or more cages. Farm records reviewed for several cages to check compliance. Totals provided for all cages. Farm management and personnel understand how to calculate escapes and losses.</p> <p>B. For the most recent full production cycle, the number of losses were calculated to be 3.0% (46,810 out 1,560,763 fish stocked). There was one reported escape, so the difference is assigned to difference in counting at stocking or transfer and undiscovered mortalities (especially when fish are young). Escape record for 2015: 0. Estimated escape for one event in June 2016: 2,988 fish out of 1,640,274= 0.18% Estimated escape for one event in May 2017: 9,502 fish out of 1,640,274= 0.58%</p> <p>C. Results have not been made publicly available, however fam personnel and managers understand the calculations and will start reporting escapes on Kurose's website.</p>	Compliant	
3.3.3	<p>Indicator: For selectively bred stock or for non-selectively bred stock not from local sources or for wild fingerlings not from local sources more than 2 escape events of 30% (cumulative total fish not recovered) over 2 years .</p> <p>Requirement: No. Applicability: All.</p>	<p>a. Determine whether stocks under culture are selectively bred, non-selectively bred but not from local sources or are from wild fingerlings not collected locally. If none of these apply, requirements 3.3.3 b.-d. do not apply.</p> <p>b. Where appropriate, maintain monitoring records of all incidences of confirmed or suspected escapes, specifying date, cause, and estimated number of escapees.</p> <p>c. Where appropriate, aggregate cumulative escapes (events and numbers) of all stocks in the most recent production cycle.</p> <p>d. Where appropriate, maintain the monitoring records described in 3.3.3a for at least 10 years beginning with the production cycle for which farm is first applying for certification.</p> <p>e. Others, please describe</p>	<p>A. OK, Some fish originating from hatchery are selectively bred: 55.7%, and 44.3% are captured fingerlings from local Japanese sources.</p> <p>B. Total fingerling from last production cycle is 1'628.124.</p> <p>C. Escapes are detailed in 3.3.2 and add up to less than 1% for all fish for the past two years.</p> <p>D. Kurose has records for 2013, 2014, 2015 2016 and 2017 and will continue.</p>	Compliant	
3.3.4	<p>Indicator: All escape events of farmed <i>Seriola</i> or <i>Cobia</i> are reported to the pertinent regulatory agency.</p> <p>Requirement: Yes. Applicability: All.</p>	<p>a. Document details of reportable escape events and suspected escape events. Make available details of reportable escapes and make results from 3.3.2b available to regulatory agencies. In absence of regulatory requirement keep the data and make it available for ASC on request.</p> <p>c. Others, please describe</p>	<p>A. Escape events are recorded and are detailed in Excel sheet provided and reviewed.</p> <p>B. Reporting of escapes is not required by local authorities but Kurose states that they will report to the pertinent regulatory agency. Data has been provided by Kurose to auditors during assessment. See 3.3.2</p>	Compliant	
Criterion 3.4 Collection of fingerlings					
3.4.1	<p>Indicator: Evidence that purchased or collected wild fingerlings are harvested from a source fishery with a public fishery assessment, for example FishSource or is in a credible fishery improvement process (FIP) towards an ISEAL compliant fisheries sustainability certification scheme.</p> <p>Requirement: Yes. Applicability: All.</p>	<p>a. Provide details of source fishery from which fingerlings are taken. Provide supporting documentation including purchase orders, invoices, delivery notes etc. that attest to the origin of wild fingerlings.</p> <p>b. Provide FishSource score (www.FishSource.com) for wild fingerling fishery or evidence of MSC certification. If FishSource score or MSC certification is not available, then proceed to 3.4.1 c</p> <p>c. Demonstrate to audit team that the wild fingerling source fishery is in a credible Fisheries Improvement Programme towards an ISEAL compliant fisheries certification scheme</p> <p>d. Others, please describe</p>	<p>A. Wild fingerlings come from Japanese populations of <i>Seriola quinqueradiata</i>, map with distribution provided. Japan conducts a national stock assessment every year, but the other countries that exploit or potentially exploit this stock (S. Korea, China, and Taiwan) do not. No cross-boundary stock assessment is conducted.</p> <p>B. Fish Source score for the fingerling fishery are not available, scores are a available for the complete fishery. Strengths: Although there is some uncertainty due to lack of a comprehensive, multi-country stock assessment, both Japan and Korea report that stock currently appears abundant. Weaknesses: The Japanese amberjack stock is transboundary, occurring in both Japan and S. Korea's EEZs, and possibly in China and Taiwan's EEZs as well. However, a joint, multi-country stock assessment is not conducted, and catch information for China and Taiwan is lacking. Although ABCs are estimated for Japan's portion of the stock, they are not used to set harvest limits or recommendations. Harvest control rules are not used. Catch data used to inform the Japanese stock assessment do not distinguish among three amberjack species (S. quinqueradiata, S. drumerii, and S. lalandi), but the majority of Japan's harvest is of Japanese amberjack (JFA 2013). There are wild capture fisheries for amberjack of all age classes, including a fishery that targets fry (called mojako) that are used for aquaculture. The focus of this profile is the fry fishery, but information from adult fisheries was also considered, especially for evaluation of stock status. Options: Scientific recommendations should be more actively considered in harvest management. A more precautionary harvest strategy using reference points should be implemented. Scores are: Management Strategy: < 6 - ≥ 6 Managers Compliance: < 6 Fishers Compliance: ≥ 6, Stock Health: Current Health:≥ 8 Future Health: ≥ 6</p>	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
3.4.2	Indicator: Traceability of wild or hatchery purchased or collected fingerlings to their source. Requirement: Yes. Applicability: All.	a. Provide details of hatchery or fishery from which fingerlings are obtained. Provide supporting documentation including purchase orders, transit/movement authorisations, catching vessel details, invoices, delivery notes, stocking records etc. that attest to the origin of all stock present on the farm.	A. Review documentary evidence provided to the audit team and determine whether the origin of all stock under culture can reliably be traced to the original hatchery, or source fishery in cases where wild fingerlings are used to stock/partially stock the farm. B. During the onsite audit discuss the origin of stocks present with farm staff and cross check with documentation provided at 3.4.2a. Kurose owns a hatchery: Oita Marine Biological Technology Center-from where they source fingerlings, and they also buy wild caught fingerlings from fishermen. Kurose provided fingerling receipts and hatchery information as well as details of the source fishery from which hatcheries or seedlings were harvested, and supporting documents, including purchase orders, invoices, delivery records, etc. certifying the origin of natural seedlings. Auditors reviewed original documents and summaries. The traceability of fingerlings is kept by a system of the following documents: -Purchase order -Incoming fish document -Breeding history document -Shipment and purchase information -Shipping record -Inspection record at receiving site	Compliant	
		c. Others, please describe			
PRINCIPLE 4: USE RESOURCES IN AN ENVIRONMENTALLY EFFICIENT AND RESPONSIBLE MANNER					
Criterion 4.1 Traceability of marine raw materials in feed					
4.1.1	Indicator: Evidence of traceability, demonstrated by the feed producer, of fishmeal and fish oil ingredients. Requirement: Yes. Applicability: All.	a. Maintain detailed records of all feed suppliers and purchases including contact information and purchase and delivery records.	Feed producers and feed blends' names are considered confidential information and are omitted from the public report (though this information is provided to ASC). Producer names are replaced here by numbers or letters. A Kurose has detailed feed purchase records (invoices) and receives from six feed suppliers (=producers): 1, 2, 3, 4, 5, 6, The first three suppliers account for 95% of all feed purchases. B Kurose has informed feed producers of relevant ASC requirements. Emails which included a request to cooperate with Principle 4 requirements and audit manual were sent to producers 1-3 in January 2016 (which included a fish source score explanation) and to 4-6 in July 2017. C The current audit reports could not be obtained by Kurose due to feed suppliers’ confidentiality concerns. Instead, copies of certificates were obtained to demonstrate compliance with the relevant requirements, as follows: 1 – ISO22000:2005 (CIO) 2 – ISO9001:2008 (CIO) 5 – ISO9001:2008 (CIO) 3, 4, 6 – none received D Feed producers’ declaration letters in response to Kurose’s cooperation request state that the fishmeal and fish oil in their feed are traceable: 2 dated 2017/6/5, signed by the company president. 3 dated 2017/6/19, signed by the company president. * The above could not be cross-checked with the relevant audit reports, as the latter could not be obtained due to feed producers’ confidentiality concerns.	Major	Third party audits to demonstrate traceability were not available for all feed suppliers. Declarations assuring traceability for four out of six feed producers were not available.
		b. Inform each feed producer (and supplier) in writing of ASC requirements pertaining to production of feeds and send them a copy of the ASC Seriola and Cobia Standard.			
		c. For each feed producer supplying the farm, confirm that an independent third party audit of the producer has recently been completed against an ISEAL compliant standard that includes an evaluation of feed input traceability. Obtain a copy of the most recent audit report for each feed producer.			
		d. Obtain declaration from feed producers and suppliers stating that the company can assure traceability of all fishmeal and fish oil ingredients used in making seriola and cobia diets.			
		f. Others, please describe			

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
Criterion 4.2 Efficient and optimized diets					
4.2.1	<p>Indicator: a) Fishmeal Forage Fish Dependency Ratio (FFDRm) and Fish Oil Forage Fish Dependency Ratio (FFDRo) for Seriola (calculated using formulae in Appendix 1). Hamachi (S. quinquerediata).</p> <p>b) FFDRm and FFDRo Cobia (calculated using formulae in Appendix 1)</p> <p>Requirement: a) Hamachi: FFDRm ≤ 6.0/FFDRo ≤ 7.0 (now) FFDRm ≤ 4.8/FFDRo ≤ 5.0 (3 years) FFDRm ≤ 2.9 /FFDRo ≤ 2.9 (6 years)</p> <p>b) FFDRm ≤ 6.0/FFDRo ≤ 6.0 (now) FFDRm ≤ 4.0/FFDRo ≤ 4.0 (3 years) FFDRm ≤ 2.9/FFDRo ≤ 2.9 (6 years)</p> <p>Applicability: All.</p>	<p>a. Maintain a detailed inventory of the feed used that includes information concerning:</p> <ul style="list-style-type: none"> Quantities used of each formulation (kg); Percentage of fishmeal and fish oil in each formulation used; Source (fishery) of fishmeal and fish oil in each formulation used; Percentage of fishmeal and fish oil in each formulation derived from trimmings; Supporting documentation and signed declaration from feed supplier. <p>b. For FFDRm and FFDRo calculations, exclude fishmeal and/or oil derived from rendering of seafood by-products (e.g. the "trimmings" from a human consumption fishery as per more detailed guidance in Appendix 1.</p> <p>c. Calculate eFCR using formula in Appendix 1 .</p> <p>d. Calculate FFDRm and FFDRo using the relevant formulas in Appendix 1 .</p> <p>e. Others, please describe</p>	<p>Farm’s monthly total and per feed lot usage of each formulation is recorded electronically (Excel file) per fish age class. March 2017 record was examined. Percentage of FM and FO in each formulation used, as well as the percentage of FM and FO in each formulation derived from trimmings are considered confidential by producers and was not disclosed to Kurose. For FFDRs calculations, Kurose submitted submit data about quantities of each formulation used to the feed producer and eFCR value, and the producer were to calculate their individual FFDRs values and revert to Kurose. Based on each supplier’s self-reported FFDRs values, a weighted average FFDRs would be calculated by Kurose. Such FFDR values for FM and FO were received from two of the producers (2, 3), but after examining the calculations at the on-site audit, it became clear that the following could have led to erroneous FFDR values calculations:</p> <ul style="list-style-type: none"> the quantities of feed formulations used, submitted to 2 and 3 to facilitate FFDR calculations, were not summarized per each specific producer, but a total feed used per cycle. as in feed producers’ declaration letters it is stated that for the 4.3.2 calculations they haven’t excluded the trimmings, it needs to be confirmed if the FFDRs values calculations also include the fishmeal and fish oil coming from trimmings <p>Information from the remaining 4 feed producers was not available. (1, 4, 5, 6). Information about the source of origin for FM and FO in their feed was received from only three of the feed producers: 1, 2 and 3 stated in the following documents, with similar (overlapping) contents:</p> <ul style="list-style-type: none"> Feed components safety certificate for formulations A, B, C, D, E Product specifications for formulation E 1: Product specifications for formulation F Aquaculture feed quality certificate for Buri feed blends formulations: G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U <p>As mentioned in A above, only two of the feed suppliers have submitted their FFDR calculations, but most probably the FM and FO derived from trimming were not excluded from the calculations. C - The eFCR value using data from the production cycle for fingerings 2015 input (outputs in 2016 and 2017) has been correctly calculated eFCR=2.79</p> <p>D - Values calculated: FFDRm and FFDR (2) (CIO) FFDRm and FFDR (3) (CIO) But, need to be re-calculated. (See comments in 4.2.1 A above). Calculations from the remaining four feed producers haven’t been received yet, and hence an average FFDRs haven’t been calculated from Kurose.</p>	Major	FFDRm and FFDRo cannot be correctly calculated because information from suppliers is incomplete.
4.2.2	<p>Indicator: Use of wet feed and moist pellets.</p> <p>Requirement: Must be sourced from the same ecosystem as the farm.</p> <p>Applicability: All.</p>	<p>a. Maintain records of wet fish and moist pellet use on the farm, where the fish content originated from and where it was caught.</p> <p>b. Others, please describe</p>	No use of wet feed.	N/A	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
Criterion 4.3 Responsible origin of marine raw materials					
4.3.1	<p>Indicator: Timeframe for at least 90% fishmeal or fish oil used in feed to come from fisheries certified under an ISEAL member's accredited certification whose primary goal is to promote ecological sustainability.</p> <p>Requirement: Within 5 years following the date of the publication of the SCAD standards.</p> <p>Applicability: All.</p>	<p>a. Obtain documentation that indicates the relative quantities of fishmeal and fish oil used in feed manufacture that is certified under an ISEAL member's accredited certification.</p> <p>b. Prepare a letter stating the farm's intent to source feed containing fishmeal and fish oil originating from fisheries certified under an ISEAL member standard.</p>	Applicable in 2021	N/A	
4.3.2	<p>Indicator: Prior to achieving 4.3.1, the fishmeal or fish oil used in feed must have a FishSource score of 6.0 or higher, plus (and) an 8 in the biomass category or show evidence of being engaged in a credible and time bound fisheries improvement project (FIP).</p> <p>Requirement: At least 80% of the fish meal and fish oil used in feed (excluding fishmeal and oil from byproducts) must meet this criteria.</p> <p>Applicability: All.</p>	<p>a. Obtain documentation from feed producers and/or suppliers that independently confirms the FishSource scores for at least 80% of fishmeal and fish oil used in feed manufacture. OR</p> <p>b. Where FishSource scores are not available for any particular fishmeal or fish oil ingredient/s, compile evidence that attests to the fishmeal and fish oil suppliers being engaged in a credible FIP.</p> <p>c. Others, please describe</p>	<p>Declaration letters received from only one feed producers examined: 3 states that more than 80% of the marine origin RM in the feed blends they produce and sell to Kurose conforms to the ASC.</p>	Major	Information was incomplete and thus the requirement that at least 80% of fishmeal and fish oil inputs meet the FishSource scoring cannot be verified.
4.3.3	<p>Indicator: Feed containing fishmeal and/or fish oil originating from by-products or trimmings from fish species which are categorized as vulnerable, endangered or critically endangered, according to the IUCN Red List of Threatened Species .</p> <p>Requirement: None.</p> <p>Applicability: All.</p>	<p>a. Compile and maintain, consistent with 4.2.1a, a list of the fishery of origin for all fishmeal and fish oil originating from by-products and trimmings.</p> <p>b. Obtain a declaration from the feed producer and/or supplier stating that no fishmeal or fish oil originating from fish species which are categorized as vulnerable, endangered or critically endangered, according to the IUCN Red List of Threatened Species is used to produce feed.</p> <p>c. If meal or oil originated from a species listed as "vulnerable" by IUCN but that species is sourced from a local stock that is not considered vulnerable, obtain documentary evidence to support a request for an exception based on regional differences in status of the relevant species/populations.</p> <p>d. Others, please describe</p>	Certificates of raw materials origin are available for three of the feed suppliers, but the fishmeal and fish oil coming from trimmings were not segregated. (2, 3, 1)	Major	Certificates of raw materials were not available from all feed suppliers, and one feed supplier states that they cannot rule out that some fish oil may come from an endangered species.
4.3.4	<p>Indicator: Feed ingredients which come from other fish from the same genus.</p> <p>Requirement: None.</p> <p>Applicability: All.</p>	<p>a. Obtain from feed producers and/or suppliers declarations that the fishmeal and/or fish oil does not originate from fish of the same genus as that under cultivation.</p> <p>b. Obtain documentary evidence that feed manufacturer operates procedures to ensure that no raw material in a diet originates from the same genus as the fish for which the diet is intended. This includes all fishmeal and fish oil (including bulk fish and waste/trimmings/byproduct) that may be used.</p> <p>c. Others, please describe</p>	Declarations and documentary evidence for raw materials were not available from all feed suppliers sufficient to confirm that fish ingredients do not come from the same genus.	Major	Declarations and documentary evidence for raw materials were not available from all feed suppliers to confirm that fish ingredients do not come from the same genus.

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
Criterion 4.4 Responsible origin of non-marine raw materials in feed					
4.4.1	<p>Indicator: Presence and evidence of traceability and a responsible sourcing policy for the feed manufacturer for feed ingredients which comply with internationally recognized moratoriums and local laws .</p> <p>Requirement: Yes.</p> <p>Applicability: All.</p>	a. Maintain detailed records of all feed suppliers and purchases including contact information and purchase and delivery records. b. Inform each feed producer (and supplier) in writing of ASC requirements pertaining to traceability and responsible sourcing for feed manufacturers and/or suppliers. c. For each feed producer used by the farm, confirm that an independent third party audit of the producer was recently completed by a CAB against a standard that includes an evaluation of feed input traceability. Obtain a copy of the most recent audit report for each feed producer. d. Others, please describe	A See auditor notes in 4.1.1 A above. B See auditor notes in 4.1.1 B above. C See auditor notes in 4.1.1 C above.	Major	Independent 3rd party audits were not available for all suppliers and thus compliance with traceability and responsible sourcing policy for the feed manufacturer for feed ingredient cannot be demonstrated.
4.4.2	<p>Indicator: Documentation of the use of transgenic plant raw material, or raw materials derived from genetically modified plants, in the feed.</p> <p>Requirement: Yes.</p> <p>Applicability: All.</p>	a. Obtain from feed supplier(s) a declaration detailing the content of transgenic plant raw materials and/or raw materials derived from genetically modified plants, in feed. This requirement is just about knowing that the feed includes or does not include transgenic material and then not claim the opposite. b. Disclose to the buyer(s) a list of any transgenic and /or genetically modified plant raw material used in feeds and maintain documentary evidence of this disclosure. For first audits, farm records of initial disclosures shall pre-date the audit by > 6 months. c. Others, please describe	A Declarations were not available, but raw material specification etc. documents from 3 and 1 use soy oil cake and corn gluten meal (CGM) in which the transgenic material is not segregated. Information from the remaining four feed producers was not available. B No evidence for disclosure to the buyers provided.	Major	Declaration detailing the content of transgenic plant raw materials and disclosure were not available.
4.4.3	<p>Indicator: Percent of non-marine ingredients from sources certified by an ISEAL Member’s certification scheme that addresses environmental and social sustainability.</p> <p>Requirement: 80% for soy and palm oil within 5 years from the date of the publication of the ASC Seriola and Cobia Standard .</p> <p>Applicability: All.</p>	a. Obtain documentation that indicates the relative quantities of non-marine ingredients used in feed manufacture that is certified under an ISEAL member’s accredited certification. b. For non-conforming farms, prepare a declaration stating the farm's intent to source feed that contains non-marine ingredients certified under an ISEAL member standard that addresses both environmental and social sustainability. c. If audit >5years after publication of Seriola and Cobia standards, provide documentation that confirms that requirement for at least 80% of non-marine ingredients used in feed comes from ISEAL member certifications that address both environmental and social sustainability. d. Others, please describe	Not Applicable	N/A	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
PRINCIPLE 5: PROACTIVELY MAINTAIN THE HEALTH AND WELFARE OF CULTURED FISH AND MINIMIZE THE RISK OF DISEASE TRANSMISSION					
Criterion 5.1 Transfer of pests or parasites to wild stocks					
5.1.1	<p>Indicator: Commitment to participate in an Area-Based Management (ABM) scheme.</p> <p>Requirement: The farm participates in an ABM, where it exists, for managing disease and resistance to treatments.</p> <p>Applicability: All.</p>	<p>a. Keep record of farm's participation in an ABM scheme and communication around scheme availability.</p> <p>b. Submit to the CAB a description of how the ABM coordinates management of disease and resistance to treatments, for instance: - coordination of stocking; - fallowing; - therapeutic treatments; and - information sharing.</p> <p>c. Provide the CAB access to documentation which is sufficient for the auditor to evaluate the ABM's compliance with definition of area, minimum % participation in the scheme, components, and coordination requirements.</p> <p>d. Others, please describe</p>	<p>A</p> <p>Kurose has been actively participating in various local government meetings about fish disease management, aquaculture drugs usage, etc.; timely communicating with external organizations when approached; positively responding to any research related requests by providing data, live material and experiment setting, access to farms for observation, water and biomaterial sampling, as well as cooperating in the sampling itself and sending samples for analysis as requested. The following documents were received as evidence:</p> <p>Schedule for explanatory meeting on Microbial Resistance Counter-measures (MRC) for aquaculture producers conducted on 2016/11/2 with the following relevant information materials received:</p> <ul style="list-style-type: none"> Request for cooperation on collecting microorganism strains isolated from aquaculture animals as one of reference documents distributed at the MCR meeting (also newspaper articles, outline of 2017 budget, aquaculture drugs use record (idea)) Drug usage recording format suggestion Mechanism to ensure the reasonable use of antibiotics in aquaculture (plan) National Action Plan on Antimicrobial Resistance (one of its objectives is to promote the reasonable use of antibiotics in husbandry and aquaculture) Pamphlet on the aquaculture drugs usage (30th) dated 2017/1/31 prepared for aquaculture producers from Food Safety and Consumer Affairs Bureau at the Ministry of Agriculture, Forestry and Fisheries (MAFF) <p>Explanation and Request to submit data for a Survey about Fish Diseases Damages and Aquaculture Drugs Usage (SFDDADU), dated 2017/3/31 from the head of “Fishing villages promotion” division at Miyazaki prefecture. (The survey is ordered by the Food Safety and Consumer Affairs Bureau at the Ministry of Agriculture, Forestry and Fisheries (MAFF) in order to comprehend the current status/spread of fish diseases, 2016 data are requested)</p> <p>Materials from a preliminary meeting in 2016 about “Solving the Beko disease issue”</p> <p>Invitation communication in relation to the “Epidemic prevention in aquatic animals in south and central Kyushu and west Shikoku for year 2016” (EPAA) Proceedings from the EPAA meeting conducted on 2017/2/15th, 16th in Ehime prefecture: included lectures with one of them (8) about monitoring of Beko disease (caused by Microsporidium Seriola) in Seriola artificial fingerlings; explanation about the new guidance structure on the use of antimicrobials in aquaculture; The status of fish disease diagnosis in 2016, experiment results and 2017 research plan (from 7 prefectures)</p> <p>- List of attendees to the EPAA meeting: includes aquaculture producers, local government bodies, universities, research bodies etc.</p> <p>- Kagoshima Prefectural Fisheries Technology and Development Center (KPFTDC) and Miyazaki Prefectural Fisheries Experiment Station (MPFES) results presentation on marine fish disease tests 2010~2016;</p> <p>Requests from KPFTDC and MPFES in relation to Seriola Beko disease experiments continuation in 2017 (dated 2017/2/6):</p> <p>Request for access farms for sampling water, performing a bioassay experiment, as well as providing materials for the experiment: fingerlings and breeding cage.</p> <p>Report from attending a lecture on MPFES Aquaculture Research given on 2017/3/14 at Kitaura fisheries cooperative B</p>	Compliant	
5.1.2	<p>Indicator: A demonstrated commitment to collaborate with NGOs, academics and governments on areas of mutually agreed research to measure possible impacts of pests or parasites on wild stocks.</p> <p>Requirement: Yes.</p> <p>Applicability: All.</p>	<p>a. Retain records to show how the farm and/or its operating company has communicated with external groups (NGOs, academics, governments) to agree on and collaborate towards areas of research to measure impacts on wild stocks, including records of requests for research support and collaboration and responses to those requests.</p> <p>b. Provide non-financial support to research activities in 5.1.2a by either: - providing researchers with access to farm-level data; - granting researchers direct access to farm sites; or - facilitating research activities in some equivalent way.</p> <p>c. When the farm and/or its operating company denies a request to collaborate on a research project, ensure that there is a written justification for rejecting the proposal.</p> <p>d. Maintain records from research collaborations (e.g. communications with researchers) to show that the farm has supported the research activities identified in 5.1.2a.</p> <p>e. Others, please describe</p>	<p>A</p> <p>Refer to notes in 5.1.1 A above.</p> <p>B</p> <p>Kurose has duly responded to all requests for research cooperation, as evidenced by reviewed documents (refer to notes in 5.1.1 A and 5.1.2 D). C</p> <p>N/A</p> <p>Kurose haven’t denied any request to collaborate on a research project. D</p> <p>Filled in questionnaires in respond to the SFDDADU for 2016 data for each of Kurose’s sites (Kushima, Uchinoura, Nobeoka and Ei hatchery) Kurose’s mortality disease data breakdown (2016) presentation at the EPAA meeting power point slides</p> <p>Email communication with KPFTDC and MPFES for arranging the details about 2017 Seriola Beko disease experiments continuation showing the positive response and cooperation from Kurose. (EPAA)</p> <p>Also, refer to notes in 5.1.1 A above.</p>	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAIION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
5.1.3	<p>Indicator: On-farm testing for ectoparasites, with test results made easily publicly available.</p> <p>Requirement: Yes, with results made easily publicly available within seven days of testing.</p> <p>Applicability: All.</p>	<p>a. Prepare an annual schedule for ectoparasite testing that identifies timeframes of routine testing frequency.</p> <p>b. Maintain records of results of on-farm testing for ectoparasites. If farm deviates from schedule due to weather maintain documentation of event and rationale.</p> <p>c. Document the methodology used for testing ectoparasite s ('testing' includes both counting and identifying ectoparasites). The method must follow national or international norms, follows accepted minimum sample size, use random sampling, and record the species and lifestage of the ectoparasite. If farm uses a closed production system and would like to use an alternate method (i.e. video), farm shall provide the CAB with details on the method and efficacy of the method.</p> <p>d. Make the testing results from easily publicly available (e.g. posted to the company's website) within seven days of testing. If requested, provide stakeholders access to hardcopies of test results.</p> <p>e. Keep records of when and where test results were made public.</p> <p>f. Submit test results to ASC at least once per year.</p> <p>g. Others, please describe</p>	<p>A. Ectoparasites testing is scheduled for March every year. However, in practice the on-farm testing is performed almost every week.</p> <p>B. Ectoparasite testing on farm and wild fish has been conducted in March 2016 and March 2017. Results were received.</p> <p>C. There are two types of ectoparasites found in yellowtail: one is found in the gills: <i>Benedenia seriola</i> or <i>Neobenedenia girellae</i> (era-mushi) and the other, on the body skin: <i>Heterobothrium okamotoi</i> (hada-mushi). Wild fish were purchased from local fishermen: 5 fish x 2 different days each March, and the farm fish were sampled from random cages in all Kurose farm locations. The ectoparasite testing (sample preparation, number count etc.) has been conducted following detailed procedures described in Kurose's N-AHMS manual (Nissui (parent company) prepared for Kurose: Nissui Aquaculture Health Management System – (N-HAMS)), parasites inspection chapter). Scientific articles on which the methodology is based were also presented. ("Anthelmintic effects of 75 ppm hydrogen peroxide treatment on the monogeneans <i>Benedenia seriola</i>, <i>Neobenedenia girellae</i> and <i>Zeuxapta japonica</i> infecting the skin and gills of greater amberjack <i>Seriola dumerili</i> ", <i>Aquaculture</i> 450 (2016) 244-249; Differences in the sensitivity to the anthelmintic praziquantel by the skin-parasitic monogeneans <i>Benedenia seriola</i> and <i>Neobenedenia girellae</i> ", <i>Aquaculture</i> 404-405 (2013) 59-64). Both ectoparasites number counts and % of occurrence were tested.</p> <p>D. The results will be publicly available on Kurose's website, but currently this option is still in progress.</p> <p>E. Refer to notes in D above.</p> <p>F. Kurose is ready to submit the results to ASC once per year, but are not aware of the submission method (email address etc.).</p>	Compliant	
Criterion 5.2 Chemicals and treatments					
5.2.1	<p>Indicator: Use of therapeutic treatments that are banned by law under the local jurisdiction or listed as critically important for human medicine by the WHO.</p> <p>Requirement: Not permitted.</p> <p>Applicability: All.</p>	<p>a. Maintain a current version of the WHO list of antimicrobials critically and highly important for human health.</p> <p>b. Maintain a list of therapeutants the use of which in finfish aquaculture are banned by law and also maintain a list of therapeutants the use of which in finfish aquaculture are permitted by law.</p> <p>c. If the farm has used antibiotics listed as critically important to human health and/or has used therapeutants that are banned in finfish culture to treat any fish during the current production cycle, inform the CAB prior to scheduling audit.</p> <p>d. If yes to 5.2.1c, request an exemption to the requirement of 5.2.1 from the CAB in order to certify only that portion of production that complies with the indicator. Prior to the audit, provide the CAB with records sufficient to establish details of treatment, which holding facilities were treated, and how the farm will ensure full traceability and separation of treated fish through and post- harvest.</p> <p>e. Others, please describe</p>	<p>A. Kurose keeps a copy of the current 5th (2016) version of the WHO list (reviewed) as well as a link to the WHO website from where it can be downloaded.</p> <p>B. The list of therapeutants that are allowed by the Ministry of Agriculture, Forestry and Fisheries (MAFF) was received. Any therapeutant, which is not listed there is not allowed. Among the listed ones were two WHO critically important antimicrobials – erythromycin (ER) and ampicillin (AM).</p> <p>C. Kurose has used two critically important microbes in the current production cycle in some cages, and has informed the SCS about this in advance.</p> <p>D. Kurose has asked for an exemption. An exemption has been requested and is merited as traceability records have been reviewed and confirm that Kurose appears to have a very robust traceability system. Exception is granted provided that Kurose procedures do indeed allow for a process to determine and record conforming cages that conforming harvest is segregated and identifiable at harvest, transportation and delivery.</p> <p>A sample cage with cage lot # 15TM 031-1 (harvested 15Jul2016) has been traced back to the receipt of fingerlings from Ei hatchery. Records reviewed included:</p> <ul style="list-style-type: none"> • Harvest plan for 2016/7/15 (incl. cage# 15TM 031-1, fish counts, ASC- applicability field will be added) • Pre-harvest drug use confirmation table (incl. cage lot # 15TM 031-1) • Breeding log (created per cage (cage lot # 15TM 031-1), per month (daily data), with details about treatments (drugs administered, quantities), dead fish count, disease survey data, type of feed used, quantity, feed lot, etc.) If at any rearing stage, from fingerlings receipt till adult fish harvest, ER or AM are applied to any cage, this will be registered in the breeding log. • Pre-harevest drug use confirmation table will have an "ASC-eligibility" column which will be checked based on reading of the Breeding Log described above. • Fish split record (25Mar2016) fish is big in size and half of it (15TM 031) is moved to a new cage with lot # 15TM 031-1. 	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUATION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
5.2.2	Indicator: Prophylactic use of chemical antimicrobial treatments (excluding prebiotics or vaccinations). Requirement: Not permitted. Applicability: All.	a. Maintain records for all purchases of chemical antimicrobials (invoices, prescriptions) for the current and prior production cycles. b. Maintain a detailed log of all medication-related events (see also 5.2.1a and 5.2.3). c. Calculate the total amount (g) and treatments (#) of chemical antimicrobials used during the current and preceding production cycles. d. Others, please describe	A - Summary monthly tables for the period 2016/4~2017/3 with all therapeutants, feed and nutrients purchases at each farm per supplier were received. Invoices and prescriptions are also kept on file. Kurose does not keep chemical antimicrobials in storage, but purchases little amounts regularly. B - All treatments per cage are registered with exact date, drug name, amount in the Breeding log. The disease observation data are also registered in the same log, so each treatment can be cross-checked with the relevant disease detected. (See description in 5.2.1 D above) Chemical microbials were applied only after a disease has been detected by the dead fish surveys performed by the qualified N-AHMS divers and approved by the veterinary in charge. • Drug administration written procedure detailing each step from disease detection, through getting approval from the veterinarian, to the actual drug administration with relevant records, was received. (record # KSM-R-202-5) • Application for drug administration dated (record # KSM-R-108-3) • Health inspection card dated 2017/4/6 for cage # 16TM 007 was reviewed. In the card details like tested dead fish disease symptoms (includes both observation and internal body inspection), feed given, count of fish, drug administered, symptoms detected in previous days. The card also had an approval stamp from the veterinary doctor in charge. (record # KSM-R-110-4) Prophylactic use was not detected. C - Documents reviewed included: • Total quantity of therapeutants applied to fish in the production cycle that has started in 2015 • A table summarizing all monthly therapeutic treatments at Kurose and per farm for 2016 • Table with all therapeutic treatments per cage for 2015 and 2016	Compliant	
5.2.3	Indicator: Farms have a comprehensive fish health management plan approved by the farm's designated veterinarian that includes either a) vaccination against diseases that present a risk in the region and for which an effective and commercially viable vaccine exists, or b) veterinarian-approved alternative fish health management strategies. Requirement: Yes. Applicability: All.	a. Prepare a fish health management plan that incorporates components related to identification and monitoring of fish disease and parasites. This plan may be part of a more comprehensive farm planning document. b. Ensure that documentation is available to verify that the fish health management plan includes mandatory procedures for either: i) vaccination against diseases that present a risk in the region and for which an effective and commercially viable vaccine exists; OR ii) veterinarian-approved alternative fish health management strategies. c. Ensure that the farm's current fish health management plan was reviewed and approved by the farm's designated veterinarian. d. Demonstrate that the farm complies with World Organisation for Animal Health (OIE) regulations relating to transfer of fish/eggs/fingerlings, Specific pathogen free status and quarantine status (see http://www.oie.int/international-standard-setting/aquatic-code/access-online/). e. Others, please describe	A Health management plan was not available. Instead health management related procedures and relevant record forms were included in a comprehensive operation manual. Person responsible for health-related procedures is the contracted veterinary. Records reviewed included: • Diving operations work descriptions including the collection and inspection of dead fish in the cages (record # KSM-R-301-6) • Fish disease testing flow chart • Fish disease symptoms chart • N-AHMS Fish disease inspection manual • Procedure for fish disease testing training: includes explanation about Nissui's Aquaculture Health Management System (N-AHMS), levels of divers' licenses for dead fish disease inspection, monthly schedule for inspection of 1yo and 2yo fish for bacterial, viral and parasitic diseases etc. (record # KSM-P-918-1) • Vaccination procedure and records for vaccination performed on 2017/5/2 Uchinoura farm cages # 17E1 temp. 13 & 14 i.e. on a total of 38,844 fish. (record # KSM-R-121-6) • Harvesting timeline instructions after drug administration approved by the veterinary for cage # 16TM 056, 5,362 fish were administered ER 20% for Streptococcus infection(record # KSM-R-109-3) B Stock (fingerlings at Uchinoura farm) is routinely vaccinated and records are duly kept. The appointed veterinary often visits the farm for vaccination events. Records inspected included: • Vaccination record for vaccination performed on 2017/5/2 Uchinoura farm cages # 17E1 temp. 13 & 14 i.e. on a total of 38,844 fish • Vaccination record for vaccination performed on 2015/4/21 Uchinoura farm cages # 15TM temp. 24, 25 & 26 i.e. on a total of 44,548 fish	Minor	Kurose didn't have a comprehensive health management plan. Health management related procedures and relevant record forms were included in a comprehensive Kurose farms operation manual.
5.2.4	Indicator: Allowable farm level anti-parasiticide treatment not including freshwater, formaldehyde or hydrogen peroxide. Requirement: None. Applicability: All.	a. Identify permitted anti-parasiticides that may be applied to stock during the farming procedure in the fish health management plan. Provide Material Data Safety Sheets for all anti-parasiticide products that are used. Only freshwater, formaldehyde and hydrogen peroxide is allowed and others are banned. b. Make available records relating to all chemical, veterinary and therapeutant suppliers. Include Invoices, laboratory testing results as well as prescriptions and treatment records. c. Others, please describe	A Kurose has no health management plan, but in general Kurose only uses therapeutants approved for use by MAFF. (See notes in 5.2.1 B). The only parasiticides that Kurose uses are fresh water and hydrogen peroxide. MSDS for Marine sour SP 45 parasiticide with main active ingredient hydrogen peroxide (45%) was received. B Refer to notes in 5.2.1, 5.2.2, 5.2.3 above.	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
Criterion 5.3 Environmental welfare					
5.3.1	Indicator: Weekly average percent dissolved oxygen (DO) saturation on farm, calculated in the following methodology. Requirement: >70% saturation. Applicability: All farms. Exception can be granted to farms that do not conform to >70% saturation where it can be demonstrated that farm site DO readings are consistent with those of a reference site.	a. Monitor and record on-farm percent saturation of DO at a minimum of twice daily using a calibrated oxygen meter or equivalent method. For first audits, farm records must cover ≥ 6 months. The ASC recognizes that it is not always safe to carry out weekly monitoring and there can be pragmatic and sensible solutions to testing. Under no circumstances should worker safety be compromised if, for example, there is bad weather. b. Provide a written justification for any missed samples or deviations in sampling time. c. Calculate weekly average percent saturation based on data. d. If any weekly average DO values are < 70%, or approaching that level, monitor and record DO at a reference site and compare to on-farm levels (see Instructions). e. Arrange for auditor to witness DO monitoring and calibration while on site. f. Others, please describe	A DO data from Kurose, Kushima, Urashiro, Urashiro-oki and Uchinoura farms from 2014/4/1 to 2017/4/3 were received. DO data for Shimauro farm (Nobeoka location), where fingerlings and adult fish are kept only temporarily, were for the period 2016/1/1~2016/3/24. DO is routinely measured once a day at 5m water depth and results are registered in a “farm status” record together with water temperature, weather conditions, wave height, transparency etc. The records for Kushima and Kurose farms for April and May 2017 were received. B DO is measured every day as described in A above except for days with choppy sea conditions. Also, refer to notes in A above. C Results from calculations of weekly average DO data were received and reviewed. D For all weekly average data DO saturation was above the 70% as required. E During the on-site audit, DO monitoring and calibration were witnessed. All on-site values were within range of farm data for DO.	Compliant	
5.3.2	Indicator: Maximum percentage of weekly samples from 5.3.1 that fall under 70%. Requirement: <5%. Applicability: All farms. Exception can be granted to farms that do not conform to >70% saturation where it can be demonstrated that farm site DO readings are consistent with those of a reference site.	a. Calculate the percentage of on-farm samples taken that are less than 70% saturation DO. b. Inform CAB if the percentage of on-farm DO measurements that are less than 70% DO is greater than 5%. Provide data for previous 6 months. c. Others, please describe	A N/A Refer to 5.3.1 D above B N/A Refer to A above.	Compliant	
PRINCIPLE 6: OPERATE FARMS WITH RESPONSIBLE LABOR PRACTICES					
Criterion 6.1 Child labor) and young workers					
6.1.1	Indicator: Number of incidences of child labor . Requirement: None. Applicability: All.	a. In most countries, the law states that minimum age for employment is 15 years. There are two possible exceptions: • in developing countries where the legal minimum age may be set to 14 years ; or in countries where the legal minimum age is set higher than 15 years, in which case the legal minimum age of the country is followed. If the farm operates in a country where the legal minimum ages is not 15, then the employer shall maintain documentation attesting to this fact. b. Minimum age of permanent workers is 15 or older (except in countries as noted at 6.1.1a). c. Employer must maintain personnel records that are sufficient to demonstrate conformity with requirements. d. Others, please describe	a. Labor Standards Act, Article 56 states that the minimum age for employment is 15 years. According to this Act, one cannot be employed before the 1st April after a person became 15 years old. The employer stated the relevant Labor standards act, Article 56. b. Employees Work Regulations of Kurose Suisan Co., Ltd. (as referred to as EWR below), Article 2 states that the principle of the Regulation is based on the Labour Standards Act and other relevant laws and labour agreements. The minimum age of all workers in Kurose Suisun Co., Ltd. (Kurose) (both regular and part-timers) is 18 and there is no employment of workers who is under 15 years of age. c. A list of addresses of employees has been reviewed with all employees’ names and ages stated. No worker who is under 15 years of age was listed. The evidence of the ages of workers were reviewed by looking at the copies of driver’s licenses of employees.	Compliant	
6.1.2	Indicator: Percentage of young workers that are protected Requirement: 100%. Applicability: All.	a. Young workers are appropriately identified in company policies & training programs, and job descriptions are available for all young workers at the site. b. All young workers (from age 15 to less than 18) are identified and their ages are confirmed with copies of IDs. c. Daily records of working hours (i.e. timesheets) are available for all young workers. d. For young workers, the combined daily transportation time and school time and work time does not exceed 10 hours. e. Young workers are not exposed to hazards and do not perform hazardous work . Work on floating cages in poor weather conditions shall be considered hazardous. f. Others, please describe	a. N.A. A list of addresses of employees has been reviewed with all employees’ names and ages stated. There is no worker who is under 15 years of age was listed. The evidence of the ages of workers were reviewed by looking at the copies of driver’s licenses of employees. b. N.A. There are no young workers at the Company. However, the age of all new employees is confirmed through the documents listed in Article 6 of EWR stating “Required documents for new employees”. It also states that new worker is required to submit their birth certificate in addition to confirm their ages. c. N.A. There are no young workers at the Company. However, all employees regardless of their ages use time cards as daily records of working hours. d. N.A. There are no young workers at the Company. e. N.A. There are no young workers at the Company.	N/A	

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Criterion 6.2 Forced , bonded or compulsory labor					
6.2.1	Indicator: Number of Incidents where employers withhold any part of employee salary, property, or benefits upon termination of employment. Requirement: None. Applicability: All.	a. It must be demonstrated that workers are free to leave the employment and workplace and that they are not subject to withholding of payments or denial of any other benefits of employment; or under any other obligations to the employer other than those are legal and contractual in nature. b. Conformity will be verified further through discussion with selected staff members during the on-site audit. c. Others, please describe	a. EWR Article 17 “Resignation letter” states in which cases resignation will take place with (1) resignation for personal reasons that was acknowledged by the company or after 30 days of resignation letter submission. EWR’s Article 39 “Use of rest time” states that employees can use the rest time on their free will. Article 23 “Return of money and goods” defines that at a worker's resignation or dismissal, documents such as ID, health insurance, and other goods or money that may have been lent by the company should be returned with no delay. There is no withholding of payments or any other benefits based on these rules. b. Employees understand their clearly stated contracts, are free to leave employment and work place, are not withhold their original identity documents etc. as verified via staff interviews.	Compliant	
6.2.2	Indicator: Number of incidents where employees are required to surrender original identity documents upon commencing employment (except as required for processing of legal documentation). Requirement: None. Applicability: All.	a. It must be demonstrated that workers are not required to surrender original identity documents except for when and for as long as it is necessary for the purpose of processing legal documentation. b. Conformity will be verified further through discussion with selected staff members during the on-site audit. c. Others, please describe	a. In EWR Article 6, there is a list of the documents that a new employee must submit to the management office within a week of job start: personal reference letter, written oath, certificate of residence, tax certificate slip, pension book, driving license copy etc. No original identification documents are required. b. The above 6.2.2 a was confirmed via interviews of workers and staff in charge of human resources.	Compliant	
Criterion 6.3 Discrimination in the work environment					
6.3.1	Indicator: Evidence of comprehensive and pro-active antidiscrimination policies, procedures and practices including, but not limited to, discrimination in the workplace and equal access to all jobs in relation to gender, age, race, religion, creed, caste, or sexual orientation. Requirement: Yes. Applicability: All.	a. Demonstrate that employer has a written pro-active anti-discrimination policy in place, stating the company does not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age or any other condition that may give rise to discrimination. b. Demonstrate that employer has clear and transparent company procedures that outline how to raise, file, and respond to discrimination complaints and that these policies are understood and adhered to by staff. c. Demonstrate that employer proactively respects the principle of equal pay for equal work and equal access to job opportunities, promotions and raises. d. Demonstrate that all managers and supervisors receive training on diversity and non-discrimination and pro-active tolerance of diversity. All personnel receive non-discrimination training. Internal or external training is acceptable if proven effective. e. Others, please describe	a. (2) a. of the Ethical Code of Conduct, Item 7 "To value each individual and create a pleasant working environment" in Kurose's "Ethics charter" (on page 18-19 of Corporate Principle Booklet), states harassment and discrimination based on race, religion, sex, age, national origin, disability, sexual orientation, union membership, political affiliation etc. is forbidden. b. Page 11 of “Corporate Principle” booklet provides Hotline that workers of all group companies can use to make claims that workers feel difficult to raise within a company or take any action within working hours. A card with telephone number and information about a so called “Hotline” is distributed to every worker. It is a system where they can consult or file any claim to the parent company's HR division. c. (2) b. of the Ethical Code of Conduct, Item 7 "To value each individual and create a pleasant working environment" in Kurose's "Ethics charter" (on page 18-19 of Corporate Principle Booklet) states the Company ensures the equal opportunity for promotions and raises for all employer regardless of their race, religion, sex, age, national origin, disability, sexual orientation, union membership, political affiliation etc. The document on the Employees Evaluation System clearly provides the standards to evaluate employees’ performances and payment raises. The System covers both permanent and non-permanent workers. d. Records of trainings, lists of participants and training materials are reviewed. Training on harassment for managers are held and all managers have participated. Training on human rights and diversity were held in each branch office participated by both managers and workers. The record of meetings shows that meetings to read out Corporate Principle Booklet including the items on discrimination are held twice a year at every branch office with the participation of all workers and managers.	Compliant	
6.3.2	Indicator: Number of confirmed incidences of discrimination. Requirement: None. Applicability: All.	a. Employer maintains a record of all discrimination complaints. Records do not show evidence that the farm discriminates on grounds related to age, gender, religion, race, creed, caste, sexual orientation, national origin, disability, union membership, political affiliation or any other condition that may give rise to discrimination. b. Interview with employees and employee testimonies will be used to confirm that the company does not interfere with the rights of personnel to observe tenets or practices, or to meet needs related to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or any other condition that may give rise to discrimination. c. Others, please describe	a. Based on the Hotline system mentioned 6.3.1.b., Ethic Committee of the Nippon Suisan (parent company) receives the claims made by workers. Ethic Committee reviews the claims and inform and send the report to the top management of the company to which claims were made. Kurose Suisan had only one case of claim in the past. According to the record, there is no case of discrimination related to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation occurred. b. Interviewed staff confirmed they haven't heard of any cases of discrimination and interference by the company based on race, caste, religion, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation.	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
6.3.3	Indicator: Equality of pay, benefits and promotion opportunities for all employees independent of gender, age, race, religion, creed, caste or sexual orientation. Requirement: Yes. Applicability: All.	a. Include in anti-discrimination policy reference to equality of pay, benefits and promotional opportunities being independent of race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or any other condition that may give rise to discrimination. b. Interview with employees and employee testimonies will be used to confirm that the company does not discriminate on pay, benefits or promotional opportunities on the basis of race, caste, religion, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or any other condition that may give rise to discrimination. c. Others, please describe	a. (2) b. of the Ethical Code of Conduct, Item 7 "To value each individual and create a pleasant working environment" in Kurose's "Ethics charter" (on page 18-19 of Corporate Principle Booklet) states the Company ensures the equal opportunity for promotions and raises for all employer regardless of their race, religion, sex, age, national origin, disability, sexual orientation, union membership, political affiliation etc. The document on the Employees Evaluation System clearly provides the standards to evaluate employees' performances and payment raises. The System covers both permanent and non-permanent workers. (same as 6.3.1.c) b. Interviewed staff confirmed they haven't heard of any cases of discrimination on payment or promotional opportunities based on race, caste, religion, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation.	Compliant	
6.3.4	Indicator: Number of incidents where employer dismisses an employee on the basis of marital status or pregnancy or deny employee legal rights to pregnancy or maternity leave. Requirement: None. Applicability: All.	a. Check human resource records and employee files to verify grounds for dismissal or incidents of denying employee legal rights related to maternity or paternity leave. b. During the on-site audit, interview employees in relation to grounds for dismissal and company performance with respect to the granting of parental leave. c. Others, please describe	a. EWR's Article 51 "Maternity leave" states that expecting mothers can have maternity leave up to 6 weeks before and 8 weeks after giving birth. Child Care, Family Care Leave Regulation provides other detail measures to support workers who has small children and dependent family members. An application for child care leave and the relevant company approval has been reviewed. There has been no case of denial of maternity/paternity leave. b. It was confirmed that there is no case of dismissal or discriminative actions by the company with regards to parental leave via staff interview. A staff who received maternity and child care leave until January 2017 confirmed that the company provided relevant time periods for maternity leave particularly during the pregnancy period when she had problems and could not attend to the office.	Compliant	
Criterion 6.4 Work environment health and safety					
6.4.1	Indicator: Percentage of employees trained in health and safety practices, procedures and policies relevant to the job. Requirement: 100% for operations above five employees. Applicability: All.	a. Employer has documented practices, procedures (including emergency response procedures) and policies to protect employees from workplace hazards and to minimize risk of accident or injury. The information shall be available to employees. b. Employees know and understand emergency response procedures. c. Employer conducts health and safety training for all employees on a regular basis (once a year and immediately for all new employees), including training on potential hazards and risk minimization, Occupational Safety and Health (OSH) and effective use of PPE. d. Others, please describe	a. The below documents are reviewed and they are all available and has easy access to employees: Operation Procedure Manuals, Risk Reduction Measures Management Matrix, Chemical Substances Assessment, Safety and Health Policy, Earthquake and Tsunami Emergency Measures, Ship Maintenance Records, Ship Review Weekly Reports, Workers Health Check Record, Safety and Health Management Record, Health Manager Monitoring Check. Reminder before entering processing factory (shows items prohibited), Safety Check Questions, Prevention of Hazards Due to Dust, Minutes of Meeting of Health and Safety Committee and Fire Extinguisher Management Form. b. The below documents and information were posted on the Health & Safety Information Board which is accessible to all workers: Emergency evacuation routes, Three Tsunami Evacuation Principles, Fire Extinguisher Location, Emergency measures for burn injury, AED application, Copies of the Minutes of Meeting of Health and Safety Committee, Copies of Incidence Records, etc. Earthquake and Tsunami Emergency Measures were posted on the ship. It was confirmed that workers understand emergency response procedures via on-site staff interviews. c. The below documents are reviewed: Records of Collation of Operation Procedure Manuals, Health and Safety Activities Plan, Completed Training Records, Emergency Training Records, Fire Prevention Training Records, Records of Trainings for Divers and Assistant, Records of External Trainings. It was confirmed that Health and safety trainings for new employees were conducted in April immediately after the start of work and follow-up trainings were conducted in October every year. Emergency trainings for earthquake and tsunami and fire prevention trainings are conducted once or twice a year with the participation of all workers. Safety training on a folk lift for relevant workers are also provided once every year. Monitoring check by Health & Safety Committee members are conducted every month and relevant advice and guidance are provided on regular basis. At the beginning of the seasons of certain operational activities, team members come together and read out Operation Procedures Manual in groups to confirm certain procedures and be aware of potential hazards and risks.	Compliant	

CLAUSE	INDICATOR	COMPLIANCE CRITERIA (Use as guidance for audit only)	AUDIT EVIDENCE Write down all audit evidence for each criterion. Audit evidence should be sufficiently recorded/referenced so that the result is repeatable.	EVALUTAION	DESCRIPTION OF FINDING Substantiation with explicit rationale (referenced) describing element of the requirement not met and how not met.
6.4.2	Indicator: Safety equipment (Personal Protective Equipment, PPE) provided and maintained and in use. Requirement: Yes. Applicability: All.	a. Employer provides workers with PPE that is appropriate to known health and safety hazards. b. Employees receive annual training in the proper use of PPE. For workers who participated in the initial training(s) previously an annual refreshment training may suffice, unless new PPE has been put to use. c. During the o-site audit, employees will be interviewed to confirm the above. d. Others, please describe	a. The below documents are reviewed: Two sets of a list of PPE and standards for use (one for marine division and the other for food processing division), and Safety and Health Management Record. The company provides employees with the appropriate PPE -two different sets for the marine and food processingdivisions including boots, helmet, life-jacket, protective mask, glasses, gloves etc. The PPE's good working order is checked every week by a person in charge. b. There is no special PPE usage training, but there is a regular health and safety meeting with team reading of the "work procedures manual" and workers are obliged to use the PPE (EWR Article 69. Safety (1) states that work wear and protective equipment must be used as prescribed by the company). "PPE usage rules" document for the marine and food processing divisions have been reviewed with all PPE listed with the relevant usage and check points requirements. Monitoring check by Health & Safety Committee members are conducted every month and relevant advice and guidance are provided and discussed on regular basis. c. The above was confirmed during staff interviews.	Compliant	
6.4.3	Indicator: All health and safety related accidents and violations are recorded and corrective actions taken when necessary. Requirement: Yes. Applicability: All.	a. Employer records all health- and safety-related accidents. b. Employer records and maintains complete documentation for all occupational health and safety events, accidents, violations and investigations. c. Employer implements corrective action plans in response to any accidents that occur. Plans are documented and they include an analysis of root cause, actions to address root cause, actions to remediate, and actions to prevent future accidents of similar nature. d. Interview employees in order to determine what procedures are implemented and explain what analysis has been done and what steps were taken on foot of accidents or health and safety related events or concerns. e. Others, please describe	a. Occupational Accident Reports were reviewed. Employer keeps all health- and safety-related accidents record. All reports are sent to the parent company. A cause analysis and corrective measures are made for each accident. b. All documents described in the above 6.4.3 a. are kept. c. Occupational Accident Report format includes detail description of accidents, cause analysis, remedy actions and the dates of remedy actions conducted. The reports for each case are documented in appropriate manner. Copies of the record of each cases were sent to all branch offices and information is shared by all workers who are not directly involved in the accidents. d. Reviewed Occupational Accident Report of 2017/1/6 at Nobeoka Branch. The worker interviewed could describe the causes and remedy actions taken as documented in the report.	Compliant	
6.4.4	Indicator: Evidence of employer responsibility and/or proof of insurance (accident or injury) for 100% of worker costs in a job-related accident or injury when not covered under national law. Requirement: None. Applicability: All.	a. Employer maintains and makes available documentation to confirm that all personnel are adequately insured to cover costs related to occupational accidents or injuries (if not covered under national law). Equal insurance coverage must be provided to all workers including part-time, temporary, migrant or foreign workers. Written contract of employer responsibility to cover accident costs is acceptable evidence in place of insurance. b. Others, please describe	a. Based on Japan’s Labor Standards Act (Article 75-88), The Occupational Accident Compensation Insurance Act, and Ministry of Health, Labour and Welfare Ordinances, the employer is legally obliged to ensure all employees in case of accidents during work or commuting to work. Report of the application of Employment Insurance reviewed and it was confirmed that all workers including permanent and part-time workers are listed in the report. Employer also ensures the application to the insurance in the Notice of Employment for all workers.	Compliant	
Criterion 6.5 Wages					
6.5.1	Indicator: Percentage of workers whose basic wage (before overtime and bonuses) is below the minimum wage. Requirement: 0%. Applicability: All.	a. Employer keeps documents to show the legal minimum wage in the country of operation. If there is no legal minimum wage in the country, the employer keeps documents to show the industry-standard minimum wage. The intention of this indicator is to protect the most vulnerable workers, other staff such as managers may be paid in kind and are not to be considered as ‘workers’ for the purpose of this indicator. b. Employer’s records (e.g. payroll) confirm that worker’s wages for a standard work week (≤ 48 hours) always meet or exceed the legal minimum wage. If there is no legal minimum wage, the employer’s records must show how the current wage meets or exceeds industry standard. If wages are based on piece-rate or pay-per-production, the employer’s records must show how workers can reasonably attain (within regular working hours) wages that meet or exceed the legal minimum wage. c. Maintain documentary evidence (e.g. payroll, timesheets, punch cards, production records, and/or utility records). Workers will be interviewed during on-site audit to verify conformity with the above. d. Others, please describe	6.5.1 a. The minimum wages per hour is set for different prefectures by the Ministry of Labour and Welfare. The minimum wage per hour for Miyazaki prefecture (Kushima and Nobeoka Branch is located) is 714 yen. The minimum wage per hour for Kagoshima prefecture (Uchinoura Branch is located) is 715 yen. b. Payroll was reviewed and it was confirmed that payments exceed the legal minimum wage. c. Confirmed by staff interviews and the review of time cards, payroll and timesheets.	Compliant	

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6.5.2	Indicator: The percentage of workers whose basic wage (before overtime and bonuses) is below the basic needs wage 5 years after adoption of the standard. Requirement: 0%. Applicability: All.	a. Auditor to calculate the basic needs wage and compare it to the farm's calculation to verify for accuracy. b. Provide evidence that all farm workers are paid at least the basic needs wage (before overtime and bonuses) within 5 years of publication of the seriola and cobia standard. c. Demonstrate basic needs wage for the country of operation. The audit team will verify accuracy of the calculation and end figure. d. Others, please describe	N.A. because this is applicable for 5 years after the adoption of the standard.	N/A	
6.5.3	Indicator: Evidence of transparency in wage-setting and rendering. Requirement: Yes. Applicability: All.	a. Wages and benefits are clearly articulated to workers and documented in contracts. b. The method for setting wages is clearly set out and explained to workers. c. Employer renders wages and benefits in a way that is convenient for the worker (e.g. cash, check, or electronic payment methods). Workers do not have to travel to collect benefits nor do they receive promissory notes, coupons or <u>merchandise in lieu of payment</u> . d. Workers will be interviewed to confirm conformity with the standards requirements. e. Others, please describe	a. "Employment Notice" (Employment Contract) are documented for every worker including permanent and part-time and kept both by the company and the workers. The period of employment, type of contract, location of workplace, assigned work, working days and hours, rest time, holidays, remuneration and allowance, payment day and method, relevant insurance plans are articulated clearly in the document. b. Employees Wage Regulations clearly describes the method of setting salaries with explanation of basic allowance calculation, calculation of overtime payment, payment methods, commuting and other types of allowances, etc. c. Wages and allowances were paid to all workers by bank transfer. d. Workers were interviewed and it was confirmed that workers understood their wages and allowances based on the agreed contract documented in the Employment Notice and monthly payment bills.	Compliant	
Criterion 6.6 Access to freedom of association and the right to collective bargaining					
6.6.1	Indicator: Percentage of employees with access to trade unions, worker organizations, and/or the ability to self-organize as well as the ability to bargain collectively or access the representative(s) chosen by workers without management interference. Requirement: 100%. Applicability: All.	a. Demonstrate that all workers have the freedom to join a trade union or any legitimate workers organisation, free of any form of interference from employers or competing organizations set up or backed by the employer. Farms shall prepare documentation to demonstrate to the auditor that domestic regulation fully meets these criteria. b. Demonstrate that workers are permitted to self-organize and/or engage in collective bargaining. c. During interviews with workers, verify conformity with the requirements of 6.6.1 and that workers are free to access worker chosen representatives without interference from management or agents of the company. d. Others, please describe	a. The Company's "written oath on Freedom of Association" has reviewed. It states that "Freedom of association and collective bargaining is a part of labour rights and Japan's National Constitution, Article 28 ensures these rights. The oath is part of Kurose Suisan's regulation compilation, which is kept in the bookshelves in each of Kurose's onsite offices and hence is freely-available to all workers to review. Additionally, in 2017 explanation sessions about its content were conducted by the Management and Planning division. From now on such sessions are planned to be conducted annually. The Company allows that workers form a Union or a workers' organization and implement collective bargaining". However, there is no labour union exist at the Company. b. Refer to the above 6.6.1 a. c. According to the interviewed staff, there is no case of the company hindering workers to form an organization and workers have free access to leader workers. However, workers explained that there is no need for labor union as the management is very responsive and ready to solve when any problems occur.	Compliant	
6.6.2	Indicator: Incidences of members of unions or worker organizations being discriminated against. Requirement: None. Applicability: All.	a. During interviews with workers and workers representatives, determine if there are incidents of members of unions or workers organizations being <u>discriminated against by management</u> . b. Review any stated cases of discrimination on the basis of union membership or membership of workers organisations with management to verify whether the farm is in conformity with requirements of the standard. c. Others, please describe	a. NA: There is no labor union or workers' organization exist at the Company. b. NA: Refer to the above 6.6.2 a. However, the incidents to discriminate against workers do not exist either, according to workers' interviews.	N/A	
Criterion 6.7 Harassment and disciplinary practices in the working environment causing temporary or permanent physical and/or mental harm					
6.7.1	Indicator: Incidences of excessive or abusive disciplinary actions. Requirement: None. Applicability: All.	a. Verify that the employer does not use threatening, humiliating or punishing disciplinary practices that negatively impact a worker's physical and mental <u>health or dignity</u> . b. Allegations of corporal punishment, mental abuse, physical coercion, or verbal abuse must be fully documented in a company procedure so that these can be <u>corroborated by auditors</u> . c. During on-site audit, workers will be interviewed to determine whether there is <u>evidence of excessive or abusive disciplinary actions</u> . d. Others, please describe	A. EWR Articles 60 states types of disciplinary measures and reasons for applying them are clearly stated in Article 61. Disciplinary practices of the company: warning, salary cut, suspension from work, demotion, dismissal etc. Demonstrating that there are no excessive or abusive disciplinary practices, except for the salary cut which is unacceptable under the current standard. B. There are no such cases up to now. C. Staff interviews conformed that there are no cases of abusive or excessive disciplinary actions.	Minor	The Company provides salary cut as a part of disciplinary actions that is not accepted in the

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6.7.2	Indicator: Evidence of clear, fair and transparent disciplinary procedures documented and communicated to employees. Requirement: Yes. Applicability: All.	a. Employer has written policy for disciplinary action which explicitly states that its aim is to improve the worker. Maintain evidence that employees are aware of procedures and that the process is transparent. b. Maintain documentary audit trail for incidences of disciplinary action and outcome (incl. worker evaluation reports). Workers may be interviewed during onsite audit to determine level of conformity and that disciplinary action policy is <u>fair and effective</u> c. Others, please describe	A. There are written disciplinary rules and procedures in the EWR Article 60-63. However, it does not state the purpose of disciplinary actions as improvement of workers. B. The Company keeps the record of disciplinary actions records (record reviewed).	Minor	Company's written policy for disciplinary action does not explicitly states that its aim is to improve the worker.
6.7.3	Indicator: Evidence that incidences of harassment are recorded and addressed with corrective actions. Requirement: 100%. Applicability: All.	a. Employer has in place a policy in relation to harassment of workers. The policy requires a procedure to be initiated in the event of incidents of harassment by management of workers or between workers. The procedure is documented and records details, action taken, outcome and corrective actions required. b. During the on-site audit, interview workers with respect to harassment, policies and procedures as well as examples of harassment action and outcomes to verify level of conformance. c. Others, please describe	a. EWR Article 30 and Article 31 clearly state the prohibition of sexual harassment and power harassment. Under (12) of EWR Article 61, it was stated that violation of EWR Article 30 and 31 on harassment and power harassment becomes a part of reasons for disciplinary actions. All employees receive a card with the so called "Hotline" information. Hotline is a system through which an employee can file all types of claims (including harassment) or consult with the persons in charge from the parent company's HR department. The procedure, outcome and corrective actions are documented. There is only one case of claim at Kurose Suisan in the past. The report that was sent from the parent company was reviewed and it was confirmed that the case was appropriately settled. b. conforms: According to workers' interviews, there is no such cases as harassment occurred in their workplace.	Compliant	
<i>Criterion 6.8 Working hours and overtime</i>					
6.8.1	Indicator: Incidences, violations or abuse of working hours or overtime laws. Requirement: None. Applicability: All.	a. The employer must make available documentation showing the legal requirements for working hours and overtime in the region where the farm operates. If local legislation allows workers to exceed internationally accepted recommendations (48 regular hours, 12 hours overtime) then requirements of the international standards apply. b. Examination of a randomly selected sample of records (by the auditor) - including time sheets and payroll records show that farm workers do not exceed the number of working hours allowed under the law. c. If an employer requires employees to work shifts at the farm (e.g. 10 days on and six days off), the employer compensates workers with an equivalent time off in the calendar month and there is evidence that employees have agreed to this schedule (e.g. in the hiring contract) d. Farm workers may be interviewed to confirm there is no abuse of working hours and overtime laws. e. Others, please describe	A. EWR Article 37 & 38 state working hours, time of work and rest. Working hours for marine division is set for maximum of 50 hours a week in summer (Apr-Sept) and 44 hours in winter (Oct-Mar). Regular working hours for food processing and administration department is 40 hours a week. Japan's Labour Standards Act provides maximum working hours/day as 8 hours and for a week as 40 hours. However, fishing sector is excluded from this regulation and this applies to marine division. The Company make an agreement with processing department workers and administration department with regard to overtime and work on holidays. The Company also make an agreement on modified working schedule system as required by Labour Standards Act with workers of administration department. The maximum overtime set under these agreements are complied with the limit set by the Act. B. List of all workers on overtime work reviewed. Three workers among 85 in the marine division were found to have worked more than 60 hours of overtime during month of December, 2016. Timecards of five workers in marine division were reviewed and two of them are found to have worked more than 12 hours of overtime/week during the month of November, 2016. Although the working hours of marine division are not applicable to Labour Standards Act, this exceeds the international standards of maximum 12 hours of overtime work. In addition, overtime work during the month of December for those three workers with more than 60 hours was due to helping work of food processing factories according to the interview with the workers in HR division. C N.A.: There is no shift work system. D. Interviewed staff confirmed the summer and winter working hours; Tuesday is a "no-overtime work day". Some farm workers get 5-6 hours overtime work per week on abnormal occasions. When the weather is bad the farm workers might need to do some overtime work, but this is not against their will and they are paid accordingly for it.	Minor	Limited number of workers in marine division had overtime work more than 12 hours a week and 60 hours a month. Although their working time regulation is not applicable from Japan's Labour Standards Act since they belong to fishery sector, weekly overtime exceeds the international standard. It is a minor because this only happened within a month in a year.
6.8.2	Indicator: Overtime is limited, voluntary, paid at a premium rate and restricted to exceptional circumstances. Requirement: Yes. Applicability: All farms unless exempted.	a. Make available payment records (e.g. pay advice) show that workers are paid a premium rate for overtime hours. b. Overtime is limited and occurs in exceptional circumstances as evidenced by farm records (e.g. production records, time sheets, and other records of working hours) c. Workers may be interviewed to confirm that all overtime is voluntary (unless there is a collective bargaining agreement in place which specifically allows for <u>compulsory overtime</u>). c. Others, please describe	a. conforms: Timesheets and payroll of five employees from November 2016 were reviewed. It was confirmed that they were appropriately paid at premium rate for their overtime and work on holidays respectively. b. conforms: Timecards, timesheets, and a list of workers with overtime were reviewed. It was confirmed that overtime only occurs in limited and exceptional circumstances. c. conforms: Interviewed staff confirmed that the overtime work is voluntary and occurs in limited and exceptional circumstances. They also confirmed that overtime is paid at premium rate.	Compliant	

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Criterion 6.9 Contracts or other written employment agreements					
6.9.1	Indicator: Percentage of workers who have contracts or other written employment agreements. Requirement: 100%. Applicability: All.	a. The employer maintains a record of all employment contracts. b. There is no evidence for labor-only contracting relationships or false apprenticeship schemes. c. Be advised that workers will be interviewed to confirm the above. d. Others, please describe	a. conforms: According to EWR Article 8., a written form of Employment Notice is issued and signed with all employees that states the working conditions. Employment Notices for both permanent and part-time workers were reviewed with relevant information on working conditions stated. b. conforms: All employees including part-time workers have standard contracts as the stated above in 6.9.1 a. c. conforms: Interviewed staff confirmed receiving the above mentioned Employment Notice.	Compliant	
6.9.2	Indicator: Evidence of a policy to ensure social compliance of its suppliers and contractors when operating on the farm site. Requirement: Yes. Applicability: All.	a. Farm has a policy to ensure that all companies contracted to provide supplies or services (e.g. divers, cleaning, maintenance) have socially responsible employment practices and policies. b. Producing company has criteria for evaluating its suppliers and contractors. The company keeps a list of approved suppliers and contractors. c. Producing company keeps records of communications with suppliers and subcontractors that relate to compliance with 6.7.2. d. All workers on site including those indirectly employed are to be protected by the requirements of Principle 6 and the auditor can check records, observations and interviews with these workers to evaluate compliance. e. Others, please describe	A. Ethical Code of Conduct (page 12) of Company Principles Booklet reviewed. It has a statement on fair trade relationships and fair purchasing procedures, but it does not provide statement to ensure if the companies contracted are socially responsible with regards to employment practices and policies. It was confirmed that most of the main operations taking place on Kurose's premises are performed by Kurose's staff. Only three subcontractors were identified: veterinarian, tax accounting specialist and social insurance specialist, all can be considered exempted from this requirement as Kurose has signed direct subcontract agreements with them. Further, of these three only one, the veterinarian (Dr. Yamamoto), actually operates onsite, the others work in remote administrative positions. Also a list of all current suppliers was reviewed (feed, nets, chemicals suppliers etc.) and it was confirmed that they only deliver goods and materials to Kurose's premises without performing any other operations on-site, hence they can also be exempted from this requirement. B. Ethical Code of Conduct on page 12 of Company Principles Booklet has reviewed. Item (2) fair purchasing procedures under the section 1. fair trade relationships provides that suppliers are evaluated and selected based on the rational criteria such as quality, price, delivery term, etc. An approved list of suppliers has been reviewed. C. partially conforms: Copies of emails and faxes with suppliers have been reviewed. Responses that comply with 6.7.2 were confirmed by 18 suppliers among 19. The Company is waiting for the response from one supplier. D. Based on site observations and workers interviews, it was confirmed that workers are protected by the requirements of Principle 6	Minor	The Company does not have a clear policy and selection criteria on supplier selection to ensure suppliers' socially responsible employment practices and policies and communication with suppliers on this regard is not completed yet.
Criterion 6.10 Conflict resolution					
6.10.1	Indicator: Evidence of worker access to effective, fair and confidential grievance procedures. Requirement: Yes. Applicability: All.	a. The employer has a clear labor conflict resolution policy for the presentation, treatment, and resolution of worker grievances in a confidential manner, supported by a documented procedure. b. Workers are familiar with the company's labor conflict resolution policies and procedures. There is evidence that workers have access to fair treatment of complaints. c. The farm must maintain documentary evidence (e.g. complaint or grievance filings, minutes from review meetings). Workers may be interviewed during on-site audit in order to verify conformity. d. Others, please describe	a. conforms: The Company has a clear confidential grievance procedure through the so called "Hotline", where all grievance and complaints from the employees can be filed to the parent's company HR department persons in charge. b. conforms: Workers receive a card with the "Hotline information (contact details etc.). They are familiar with the Hotline system, but does not use it usually since the problems are solved after discussing them with their direct manager. This shows that workers have access to fair treatment of complaints. c. conforms: The report on the worker grievance was reviewed and workers and the head of HR department was interviewed. According to the head of HR department, the report on grievance that was documented by the HR department of parent company was sent to the head of the company and maintained by the head of HR with the special caution of confidentiality.	Compliant	
6.10.2	Indicator: Percentage of grievances handled that are addressed within a 90-day timeframe. Requirement: 100%. Applicability: All.	a. The employer maintains a record of all grievances, complaints and labor conflicts that are raised. b. The employer keeps a documentary record of follow-up and outcome, according to procedural requirements (including corrective actions) and timeframe in which grievances are addressed. c. Workers will be interviewed to verify conformity with the procedure for dealing with grievances and that they were addressed within a 90-day timeframe. d. Others, please describe	a. conforms: Record of grievances were maintained and reviewed as mentioned 6.10.1.c above. b. conforms: Record of grievances were maintained and reviewed as mentioned 6.10.1.c above. c. conforms: As confirmed by worker interviews, not only grievances made through Hotline, but most of complaints and issues raised by workers are discussed directly with managers and necessary actions are implemented immediately.	Compliant	

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Criterion 6.11 Living conditions for employees accommodated on the farm					
6.11.1	Indicator: Farm employees have access to clean, sanitary, safe and suitable living conditions. Requirement: Yes. Applicability: All.	a. Provide evidence that potable/safe drinking water is always available for workers b. Provide evidence that adequate sanitary facilities are available for workers c. Provide evidence of safe, secure and quality accommodation sufficient to withstand local conditions in the event of storms or other natural events that could endanger lives. d. Provide evidence that accommodation provided is suitable to workers needs (and their family's), appropriate for their gender if accommodated on site also. d. Others, please describe	There are no employees are accommodated on the farm.	N/A	
6.11.2	Indicator: Existence of separate sanitary and toilet facilities for men and women; with the exception of work sites with fewer than 10 employees or where married couples are working and accommodated together. Requirement: Yes. Applicability: All farms and accommodation and worksites except as permitted exclusions (6.11.2a).	a. Provide separate and suitable sanitary and toilet facilities are available for men and women, with the possible exception of married couples being accommodated together and at worksites that have less than 10 employees. b. Others, please describe	Refer to auditor notes in 6.11.1 above.	N/A	
PRINCIPLE 7: BE A GOOD NEIGHBOR AND CONSCIENTIOUS CITIZEN PRACTICES					
Criterion 7.1 Community engagement					
7.1.1	Indicator: Evidence of regular and meaningful consultation and engagement with community representatives and organizations. Requirement: Yes. Applicability: All.	a. The farm pro-actively arranges for consultations with the local community at least twice every year (bi-annually). b. Consultations are meaningful. OPTIONAL: the farm may choose to use participatory Social Impact Assessment (pSIA) or an equivalent method for consultations. c. Consultations include participation by representatives from the local community who were asked to contribute to the agenda in advance of meetings. d. Consultations include communication about, or discussion of, the potential human health risks of therapeutic treatments. The intention is for the farm to resolve conflicts that the farm has control / responsibility over and interviews are to be conducted in language appropriate to the community. Not to use technical language like for instance, 'therapeutants'. e. Maintain records and documentary evidence (e.g. meeting agenda, minutes, report) to demonstrate that consultations comply with the above. f. Be advised that representatives from the local community and organizations may be interviewed to confirm the above. g. Others, please describe	A - E. The Company does not pro-actively arrange for consultations for their own aim with the local community up to the time of audit. However, they had plans to organize consultation meetings at each branch offices in near future. The Company also accepts visitors from local schools, local government and politicians, local chamber of commerce etc. and have active interaction with those various stakeholders F. As mentioned above, the Company does not pro-actively arrange for consultations for their own aim. However, the Company has regular meetings with the local Fishery Cooperative, Kushima City, Miyazaki Prefecture and other companies to discuss the development of fishing grounds. Through the meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University, the Company's good relationship with local stakeholders and community are confirmed.	Minor	The Company does not pro-actively arrange for consultations for their own aim with the local community up to the time of audit.

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7.1.2	<p>Indicator: Presence and evidence of an effective policy and mechanism for the presentation, treatment and resolution of complaints by community stakeholders and organizations.</p> <p>Requirement: Yes.</p> <p>Applicability: All.</p>	<p>a. Farm policy provides a mechanism for presentation, treatment and resolution of complaints lodged by stakeholders, community members, and organizations.</p> <p>b. The farm follows its policy for handling stakeholder complaints as evidenced by farm documentation (e.g. follow-up communications with stakeholders, reports to stakeholder describing corrective actions).</p> <p>c. The farm's mechanism for handling complaints is effective based on resolution of stakeholder complaints (e.g. follow-up correspondence from stakeholders).</p> <p>d. Be advised that representatives from the local community, including complainants where applicable, may be interviewed to confirm the above.</p> <p>e. Others, please describe</p>	<p>a. conforms: Usually people file complaints at the local government- in this case to the Kushima city hall. (filing a complaint through a third party is the common practice in Japan). When the city hall receives a claim related to the farm, a responsible person comes to the farm and makes an inspection. If a problem is found, Kurose takes the necessary measures to solve it and reports back to the city hall. It is not directly through the farm, but a clear company policy exists when a complaint is filed to the city hall.</p> <p>b. conforms: There are no complaints filed to the city hall until now, but the communication with the city hall is kept. Rarely, there are direct complaints by phone, but they are made anonymously so follow-up communication is not possible.</p> <p>c. conforms: There are no complaints filed until now, but the mechanism for handling complaints seem to be effective.</p> <p>d. conforms: No complaints but good comments and expectations on the Company's contribution particularly to the local economy in terms of the development of fishery sector and employment are heard during the meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University.</p>	Compliant	
Criterion 7.2 Respect for local cultures and traditional territories					
7.2.1	<p>Indicator: Local groups consulted during project design and operation.</p> <p>Requirement: At least 2x per year or as required by relevant local and/or national laws and regulations.</p> <p>Applicability: All.</p>	<p>a. As required by law in the jurisdiction: - farm consults with local and/or indigenous groups and retains documentary evidence (e.g. meeting minutes, summaries) to show how the process complies with 7.2.1b.</p> <p>b. Farm management demonstrates an understanding of relevant local and/or national laws and regulations that pertain to consultations with indigenous groups.</p> <p>c. Representatives from the local community, including complainants where applicable, may be interviewed to confirm the above consultation and engagement with local groups at planning and operational stages.</p> <p>d. Others, please describe</p>	<p>a. conforms: It is legally required that before the operation start of any aquaculture farm, a team of scholars gathers and conducts an environmental assessment of the area in relation to the planned aquaculture operation. The team creates a report with a conclusion saying if an aquaculture should be allowed in the area. The report is submitted to the local government and kept there. Kurose cannot see the report contents, but just received the information that it was authorized to start their farming business in the area.</p> <p>b. NA: There are no indigenous groups in the area.</p> <p>c. NA: No complaints are heard during the meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University. The Company currently participates in the development of new fishery grounds together with Kushima fishery cooperative, Kushima City, Miyazaki Prefecture and other companies.</p>	Compliant	
Criterion 7.3 Access to resources					
7.3.1	<p>Indicator: Changes undertaken restricting access to vital community resources without community approval.</p> <p>Requirement: 0.</p> <p>Applicability: All.</p>	<p>a. Resources that are considered vital to the community have been documented and are known by the farm (i.e. through the assessment process required under Indicator</p> <p>b. The farm seeks and obtains community approval before undertaking changes that restrict access to vital community resources. Approvals are documented.</p> <p>c. Representatives from the community may be interviewed to provide evidence of whether or not the farm has restricted access to vital resources without prior community approval.</p> <p>d. Others, please describe</p>	<p>A. There was no assessment conducted nor documentation on the vital local resources by the Company.</p> <p>B. The documents of fishery grounds licenses and contract reviewed. The Company have contract on fishery rights of specific district with local fishery cooperative that has approval from the Prefecture to develop fishery grounds based on the Fisheries Act.</p> <p>C. No complaints are heard regarding the access to vital resources during meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University. Rather, the Company currently works together with the Kushima fishery cooperative, Kushima City, Miyazaki Prefecture and other companies to develop new fishery grounds and ensure local private fishermen fair access to resources.</p>	Minor	There is no assessment is conducted and nor documentation on the vital local resources by the Company.
7.3.2	<p>Indicator: Assessments of company's impact on access to resources.</p> <p>Requirement: At least once per year.</p> <p>Applicability: All.</p>	<p>a. There is a documented assessment of the farm's impact upon access to resources. Can be completed as part of community consultations under 7.2.1.</p> <p>b. Representatives from the community may be interviewed to generally corroborate the accuracy of evidence presented in 7.3.2a.</p> <p>c. Others, please describe</p>	<p>A. There are no assessment of farm's impact upon access to resources.</p> <p>B. There is no assessment of farm's impact upon access to resources conducted. However, it was confirmed by community meeting that the Company currently works together with the Kushima fishery cooperative, Kushima City, Miyazaki Prefecture and other companies to develop new fishery grounds and ensure local private fishermen fair access to resources.</p>	Minor	There is no assessment of the farm's impact upon access to resources conducted. However, the Company has interaction with local government and fishery cooperative with regards to access to resources.

NC reference	Indicator	Grade of NC	Description of NC	Evidence	Date of detection	Status	Root cause (by client)	Corrective/ preventive actions implemented	Deadline for NC close-out	Evaluation by CAB (including evidence)
KUR17-01	2.3.1	Major	Considering the scale, intensity and location of farm operations, an expert (third-party) opinion shall be included in the risk assessment.	<p>A Documentary evidence provided includes:</p> <ul style="list-style-type: none"> • 1 Marine area within national parks list (dated 2017/3/31) • 1 Quasi-national parks with marine areas list (dated 2017/3/31) • WDPA list as of May2017: Protected areas in Japan - UICN category (www.protectedplanet.net) • Government-designated wildlife protected areas in Japan list (dated 2015/11/1) • Endangered species Red Lists for Miyazaki and Kagoshima (last updated 2015) • Kurose Risk assessment. (Described in B below) <p>B Assessment of interaction with critical/sensitive habitats and species, and protected areas includes:</p> <ul style="list-style-type: none"> • Lists of Critically endangered (CR) and Endangered (EN) species encountered in farms' vicinity. (for Kagoshima – Uchinoura farm, for Miyazaki – rest of the farms) • A rationale (risk analysis) concluding that from the above lists only the Japanese loggerhead turtle is probable to be affected by the farms' operations. • Mechanisms to control and restrain invaders document (The level of risk and counter-measures for birds and marine animals discussed). • Counter-measures for wildlife that has entered the cages (Birds, turtles and sharks' related risks, cause and counter- measures are discussed) <p>C During stakeholder meeting, which was conducted as part of audit, positive comments about farm's impact and contribution to local community and no negative impact on the surrounding nature were received.</p>	July 13, 2017	Closed	Kurose considered its own evaluation sufficient.	Kurose will engage an expert 3rd party to review and submit professional opinion.	October 13, 2017	<p>It was confirmed that Kurose has consulted a third party expert, Marine Biological Research Institute of Japan Co., Ltd. (MBRIJ). MBRIJ's statement about the farms impacts on surrounding wildlife generally agreed with Kurose's impact assessment. According to MBRIJ's statement, considering the endangered species ecology, the submerged-type cages of farm, and the regularly conducted monitoring of the water quality, sediment and benthic community in the farms' vicinity, the probability of farms' significant detrimental impact on the wildlife is low. <u>(Closed 13Oct2017 by NI - Observation raised below)</u></p> <p>However, the statement referred only to species in the Miyazaki prefecture's list, while one of Kurose's farms- Uchinoura is located in the neighboring Kagoshima prefecture. Kagoshima's ecology is similar to Miyazaki's so logical to assume that MBRIJ's opinion on impacts in Kagoshima would have been the same, especially as only 1 farm is located in Kagoshima with 2 in Miyazaki. A promissory note from Kurose (13Nov2017) received stating request to MBRIJ to comment on Kurose's impact assessment on wildlife for Kagoshima farm located in Kagoshima prefecture. Results expected around Dec. 15th, 2017. Based on the above, this non-conformity will be closed with an observation as the implementation of the above statements need to be confirmed in the future. Also, a standard third party EIA is recommended.</p>
KUR17-02	4.1.1	Major	<p>Third party audits to demonstrate traceability were not available for all feed suppliers.</p> <p>Declarations assuring traceability for four out of six feed producers were not available.</p>	<p>A Kurose has detailed feed purchase records (invoices) and receives from six feed suppliers (=producers): 1, 2, 3, 4, 5, 6, The first three suppliers account for 95% of all feed purchases.</p> <p>B Kurose has informed feed producers of relevant ASC requirements. Emails which included a request to cooperate with Principle 4 requirements and audit manual were sent to producers 1-3 in January 2016 (which included a fish source score explanation) and to 4-6 in July 2017.</p> <p>C The current audit reports could not be obtained by Kurose due to feed suppliers' confidentiality concerns. Instead, copies of certificates were obtained to demonstrate compliance with the relevant requirements, as follows:</p> <p>1 – ISO22000:2005 (CIO) 2 – ISO9001:2008 (CIO) 5 – ISO9001:2008 (CIO) 3, 4, 6 – none received</p> <p>Feed producers and feed blends' names are considered confidential information and are omitted from the public report (though this information is provided to ASC). Producer names are replaced here by numbers or letters.</p>	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>Kurose concluded that two feed producers (producers 1 and 2) comply with this requirement. Kurose's traceability procedure can identify cages feed exclusively conforming feed from producers 1 and 2.</p> <p>Producer 1 has provided evidence of successful 3rd party audits to ISO22000, this standard includes a system of traceability of product. Producer 2 has provided evidence of successful 3rd party audits for ISO9001 of their System Management Manual which includes traceability and product identification. <u>(Closed 13Oct2017 by NI)</u></p>
KUR17-03	4.2.1	Major	FFDRm and FFDRo cannot be calculated because information from suppliers is incomplete.	<p>Farm's monthly total and per feed lot usage of each formulation is recorded electronically (Excel file) per fish age class. March 2017 record was examined. Percentage of FM and FO in each formulation used, as well as the percentage of FM and FO in each formulation derived from trimmings are considered confidential by producers and was not disclosed to Kurose. For FFDRs calculations, Kurose submitted submit data about quantities of each formulation used to the feed producer and eFCR value, and the producer were to calculate their individual FFDRs values and revert to Kurose. Based on each supplier's self-reported FFDRs values, a weighted average FFDRs would be calculated by Kurose. Such FFDR values for FM and FO were received from two of the producers (2, 3), but after examining the calculations at the on-site audit, it became clear that the following could have led to erroneous FFDR values calculations:</p> <ul style="list-style-type: none"> • the quantities of feed formulations used, submitted to 2 and 3 to facilitate FFDR calculations, were not summarized per each specific producer, but a total feed used per cycle. • as in feed producers' declaration letters it is stated that for the 4.3.2 calculations they haven't excluded the trimmings, it needs to be confirmed if the FFDRs values calculations also include the fishmeal and fish oil coming from trimmings <p>Information from the remaining 4 feed producers was not available. (1, 4, 5, 6). Information about the source of origin for FM and FO in their feed was received from only three of the feed producers: 1, 2 and 3 stated in the following documents, with similar (overlapping) contents:</p> <ul style="list-style-type: none"> • Feed components safety certificate for formulations A, B, C, D, E • Product specifications for formulation E 1: • Product specifications for formulation F • Aquaculture feed quality certificate for Buri feed blends formulations: G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U 	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>FFDRm and FFDRo calculations from producer 1 and 2 were reviewed:</p> <ul style="list-style-type: none"> • 1 complies to the standard: FFDRm=5.23 and FFDRo=0 (all FO comes from trimmings) • 2 complies to the standard: FFDRm=0.86 and FFDRo=0.21 <p><u>(Closed 13Oct2017 by NI)</u></p> <p>Calculations didn't include FM/FO from trimmings and by-products in accord with the standard requirements.</p>
KUR17-04	4.3.2	Major	Information was incomplete and thus the requirement that at least 80% of fishmeal and fish oil inputs meet the FishSource scoring cannot be verified.	<p>Declaration letters received from only one feed producers examined:</p> <p>3 states that more than 80% of the marine origin RM in the feed blends they produce and sell to Kurose conforms to the ASC.</p>	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>FM and FO calculations from producers 1 and 2 were reviewed:</p> <ul style="list-style-type: none"> • 1 declared that not less than 80% of FM and FO has either Fish source score above 6 or engaged in FIP. Calculations show compliant FM=90.1%. FO is also compliant as there is no use of FO coming from forage fisheries (100% from trimmings and by-products). • 2 it was confirmed that compliant is FM=97.36%. Even though the forage fisheries-origin FO comes from fisheries with no available Fish source score or FIP engagement evidence, these account only for 1.8 % of the total FO used, while most of FO (98.2%) comes from trimmings. <p><u>(Closed 13Oct2017 by NI)</u></p>

NC reference	Indicator	Grade of NC	Description of NC	Evidence	Date of detection	Status	Root cause (by client)	Corrective/ preventive actions implemented	Deadline for NC close-out	Evaluation by CAB (including evidence)
KUR17-05	4.3.3	Major	Certificates of raw materials were not available from all feed suppliers, and one feed supplier states that they cannot rule out that some fish oil may come from an endangered species.	Certificates of raw materials origin are available for three of the feed suppliers, but the fishmeal and fish oil coming from trimmings were not segregated. (2, 3, 1)	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>Feed Producer (FP) 1 submitted a statement explaining they have performed analyses on the FM and can confirm it does not contain endangered species. FP 2 submitted declaration and is compliant since the time of on-site assessment. <u>(Closed 13Oct2017 by NI - Observation raised below)</u>.</p> <p>FP 1, though they have analyzed the finished FM, they haven't conducted such analyses on the FO. There is a vanishingly small risk that the FO coming from trimmings used in their feed contains endangered species. From now on they will perform an analysis to confirm that the raw material does not contain endangered species, and use only FO that doesn't originate from endangered species trimming/by-products. Additionally, a promissory note from Kurose (dated 2017/11/13) states that Kurose will check, as part of a planned annual audit of FP 1's feed processing factory, that endangered species are not comprised in the raw materials by conducting raw material analysis, as appropriate.</p>
KUR17-06	4.3.4	Major	Declarations and documentary evidence for raw materials were not available from all feed suppliers to confirm that fish ingredients do not come from the same genus.	Declarations and documentary evidence for raw materials were not available from all feed suppliers sufficient to confirm that fish ingredients do not come from the same genus.	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>Declarations from 1 and 2 stating that the FM and FO used, does not originate from fish of the same genus as that under cultivation were reviewed. Also, FM and FO's fishery origin data were supplied by 1 and 2 and were confirmed to not include fish of the same genus as that under cultivation. <u>(Closed 13Oct2017 by NI)</u></p>
KUR17-07	4.4.1	Major	Independent 3rd party audits were not available for all suppliers and thus compliance with traceability and responsible sourcing policy for the feed manufacturer for feed ingredient cannot be demonstrated.	See evidence field for KUR17-02 above.	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<ul style="list-style-type: none"> • 1 submitted declaration (16Aug2017) stating that they haven't checked if the plant RM in their feed contains material coming from the Amazon biome, but from now on when procuring plant RM compliant to ASC 4.4.1 principle, they will consider plant material that complies with internationally-recognized moratoriums and local laws. At procurement, they will ask RM-suppliers to submit certificate and thus will confirm compliance. • 2 submitted a declaration (16Aug2017) stating that their parent company requires RM suppliers to sign a declaration for following national legislation, industry policy etc. so that the parent company does not contribute to illegal deforestation and converting forest into agricultural land. Further more, Kurose have submitted a promissory note (dated 2017/11/13) promising that during a planned annual factory audit, they will confirm that the RM doesn't come from the Amazon biome. For traceability please refer to evidence notes in 4.1.1 above. <u>(Closed 16Aug2017 by NI - Observation raised below)</u>. <p>Further, Kurose have submitted a promissory note (dated 2017/11/13) to conduct annual factory audits to confirm the RM procurement information. Continued implementation of the actions described in the above statements should be confirmed going forward.</p>
KUR17-08	4.4.2	Major	Declaration detailing the content of transgenic plant raw materials and disclosure were not available.	<p><u>A</u> Declarations were not available, but raw material specification etc. documents from 3 and 1 use soy oil cake and corn gluten meal (CGM) in which the transgenic material is not segregated. Information from the remaining four feed producers was not available.</p> <p><u>B</u> No evidence for disclosure to the buyers provided.</p>	July 13, 2017	Closed	Feed companies were not willing to provide information needed.	The client will gather sufficient information from feed producers to confirm the level of conformity of the currently used feed.	October 13, 2017	<p>Declarations (16Aug2017) from both 1 and 2 state that raw materials like soy oil cakes and corn gluten meal they use, contain plant material in which the transgenic material is not segregated, so they cannot declare any detailed information about this. However, Kurose stated (2017/10/13) that in the "Farming history" record, which is routinely submitted to customers, it will be stated that "the fish feed used contains plant material in which the transgenic material hasn't been segregated" <u>(Closed 16Aug2017 by NI)</u></p>
KUR17-09	5.2.3	Minor	Kurose didn't have a comprehensive health management plan. Health management related procedures and relevant record forms were included in a comprehensive Kurose farms operational manual.	<p><u>A</u> Health management plan was not available. Instead health management related procedures and relevant record forms were included in a comprehensive operation manual. Person responsible for health-related procedures is the contracted veterinary. Records reviewed included:</p> <ul style="list-style-type: none"> • Diving operations work descriptions including the collection and inspection of dead fish in the cages (record # KSM-R-301-6) • Fish disease testing flow chart • Fish disease symptoms chart • N-AHMS Fish disease inspection manual • Procedure for fish disease testing training: includes explanation about Nissui's Aquaculture Health Management System (N-AHMS), levels of divers' licenses for dead fish disease inspection, monthly schedule for inspection of 1yo and 2yo fish for bacterial, viral and parasitic diseases etc. (record # KSM-P-918-1) • Vaccination procedure and records for vaccination performed on 2017/5/2 Uchinoura farm cages # 17E1 temp. 13 & 14 i.e. on a total of 38,844 fish. (record # KSM-R-121-6) • Harvesting timeline instructions after drug administration approved by the veterinary for cage # 16TM 056, 5,362 fish were administered ER 20% for Streptococcus infection(record # KSM-R-109-3) <p><u>B</u> Stock (fingerlings at Uchinoura farm) is routinely vaccinated and records are duly kept. The appointed veterinary often visits the farm for vaccination events. Records inspected included:</p> <ul style="list-style-type: none"> • Vaccination record for vaccination performed on 2017/5/2 Uchinoura farm cages # 17E1 temp. 13 & 14 i.e. on a total of 38,844 fish • Vaccination record for vaccination performed on 2015/4/21 Uchinoura farm cages # 15TM temp. 24, 25 & 26 i.e. on a total of 44,548 fish 	July 13, 2017	Closed	Fish health management procedures were not consolidated, many procedures were part of general farming procedures.	Client will draft and implement a comprehensive Health Management Plan.	October 13, 2017	<p>A Health Management Plan (with two appendices) was confirmed. It contained procedures for fingerlings purchase, vaccination procedures, disease inspections and medicine application. <u>(Closed 13Oct2017 by NI)</u></p>

NC reference	Indicator	Grade of NC	Description of NC	Evidence	Date of detection	Status	Root cause (by client)	Corrective/ preventive actions implemented	Deadline for NC close-out	Evaluation by CAB (including evidence)
KUR17-10	6.7.1	Minor	The Company provides salary cut as a part of disciplinary actions that is not accepted in the standard.	A. EWR Articles 60 states types of disciplinary measures and reasons for applying them are clearly stated in Article 61. Disciplinary practices of the company: warning, salary cut, suspension from work, demotion, dismissal etc. Demonstrating that there are no excessive or abusive disciplinary practices, except for the salary cut which is unacceptable under the current standard. B. There are no such cases up to now. C. Staff interviews conformed that there are no cases of abusive or excessive disciplinary actions.	July 13, 2017	Closed	The client was not aware that salary cut was not accepted in the standard since it is allowed in the Japanese Labor Standards Act.	Company will revise EWR to come into conformance (e.g. removal of "salary cut" from company's disciplinary measures, etc.)	October 13, 2017	Confirmed revised version of EWR, "salary cut" was removed from clause No. 60 and 61. (Closed 12Oct2017 by TS)
KUR17-11	6.7.2	Minor	Company's written policy for disciplinary action does not explicitly states that its aim is to improve the worker.	A. There are written disciplinary rules and procedures in the EWR Article 60-63. However, it does not state the purpose of disciplinary actions as improvement of workers. B. The Company keeps the record of disciplinary actions records (record reviewed).	July 13, 2017	Closed	Procedure had not been updated to conform to ASC	Company will revise EWR to come into conformance (e.g. The purpose of punishment is to improve the future work of the employee.)	October 13, 2017	Confirmed the revised version of the clause stating that the purpose of disciplinary measures is to improve future behaviour of employee. (Closed 5Oct2017 by TS)
KUR17-12	6.8.1	Minor	Limited number of workers in marine division had overtime work more than 12 hours a week and 60 hours a month. Although their working time regulation is not applicable from Japan's Labour Standards Act since they belong to fishery sector, weekly overtime exceeds the international standard. It is a minor because this only happened one month in a year.	A. EWR Article 37 & 38 state working hours, time of work and rest. Working hours for marine division is set for maximum of 50 hours a week in summer (Apr-Sept) and 44 hours in winter (Oct-Mar). Regular working hours for food processing and administration department is 40 hours a week. Japan's Labour Standards Act provides maximum working hours/day as 8 hours and for a week as 40 hours. However, fishing sector is excluded from this regulation and this applies to marine division. The Company make an agreement with processing department workers and administration department with regard to overtime and work on holidays. The Company also make an agreement on modified working schedule system as required by Labour Standards Act with workers of administration department. The maximum overtime set under these agreements are complied with the limit set by the Act. B. List of all workers on overtime work reviewed. Three workers among 85 in the marine division were found to have worked more than 60 hours of overtime during month of December, 2016. Timecards of five workers in marine division were reviewed and two of them are found to have worked more than 12 hours of overtime/week during the month of November, 2016. Although the working hours of marine division are not applicable to Labour Standards Act, this exceeds the international standards of maximum 12 hours of overtime work. In addition, overtime work during the month of December for those three workers with more than 60 hours was due to helping work of food processing factories according to the interview with the workers in HR division. C. N.A.: There is no shift work system. D. Interviewed staff confirmed the summer and winter working hours; Tuesday is a "no-overtime work day". Some farm workers get 5-6 hours overtime work per week on abnormal occasions. When the weather is bad the farm workers might need to do some overtime work, but this is not against their will and they are paid accordingly for it.	July 13, 2017	Closed	Because of additional work needed at times, procedure for overtime was not complying with ASC	The client will revise the management system, so that the overtime work complies with the international standards.	October 13, 2017	Confirmed company has a plan to deal with possible excessive overtime work during December, the busiest month in a year. Since company has clear preventive measure to avoid overtime work of more than 12 hours, it should be observed if the system was effective by review of time worked in December. (Closed 5Oct2017 by TS)
KUR17-13	6.9.2	Minor	The Company does not have a clear policy and selection criteria on supplier selection to ensure suppliers' socially responsible employment practices and policies and communication with suppliers on this regard is not completed yet.	A. Ethical Code of Conduct (page 12) of Company Principles Booklet reviewed. It has a statement on fair trade relationships and fair purchasing procedures, but it does not provide statement to ensure if the companies contracted are socially responsible with regards to employment practices and policies. B. Ethical Code of Conduct on page 12 of Company Principles Booklet has reviewed. Item (2) fair purchasing procedures under the section 1. fair trade relationships provides that suppliers are evaluated and selected based on the rational criteria such as quality, price, delivery term, etc. An approved list of suppliers has been reviewed. C. partially conforms: Copies of emails and faxes with suppliers have been reviewed. Responses that comply with 6.7.2 were confirmed by 18 suppliers among 19. The Company is waiting for the response from one supplier. D. Based on site observations and workers interviews, it was confirmed that workers are protected by the requirements of Principle 6	July 13, 2017	Closed	Procedure did not include all ASC requirements.	The client will inform suppliers about social & ethical policies and verify compliance.	October 13, 2017	Confirmed the revised version of Ethical Code of Conduct stating that the company requires business partner to be socially responsible with regards to the policies and practices. The awaited compliant response from the 19th supplier has also been received and reviewed. (Closed 5Oct2017 by TS)
KUR17-14	7.1.1	Minor	The Company does not pro-actively arrange for consultations for their own aim with the local community up to the time of audit.	A - E. The Company does not pro-actively arrange for consultations for their own aim with the local community up to the time of audit. However, they had plans to organize consultation meetings at each branch offices in near future. The Company also accepts visitors from local schools, local government and politicians, local chamber of commerce etc. and have active interaction with those various stakeholders F. As mentioned above, the Company does not pro-actively arrange for consultations for their own aim. However, the Company has regular meetings with the local Fishery Cooperative, Kushima City, Miyazaki Prefecture and other companies to discuss the development of fishing grounds. Through the meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University, the Company's good relationship with local stakeholders and community are confirmed.	July 13, 2017	Closed	Lack of awareness of proactive consultations needed.	The client will create a venue for consultation with the local community. The access to resources will be included in consultation topics, as well as the client plans to enable an independent assessment.	October 13, 2017	Confirmed that the first community meeting was held on 22th September at Kushima office and on 29th September at Uchinoura branch, as provided in the minutes of the meetings. Confirmed the topics covered during the meetings were appropriate by reviewing materials used in the meetings. (Closed 12Oct2017 by TS - Observation raised below). Observation to see the community meeting will be held regularly in the future.
KUR17-15	7.3.1	Minor	There is no assessment conducted and nor documentation on the vital local resources by the Company.	A. There was no assessment conducted nor documentation on the vital local resources by the Company. B. The documents of fishery grounds licenses and contract reviewed. The Company have contract on fishery rights of specific district with local fishery cooperative that has approval from the Prefecture to develop fishery grounds based on the Fisheries Act. C. No complaints are heard regarding the access to vital resources during meeting with Agriculture and Fishery Department of Kushima City, a head of Kushima chamber of commerce, Kushima Fishery Cooperative and the professor at Miyazaki University. Rather, the Company currently works together with the Kushima fishery cooperative, Kushima City, Miyazaki Prefecture and other companies to develop new fishery grounds and ensure local private fishermen fair access to resources.	July 13, 2017	Closed	Lack of awareness of extent of evaluation and consultations needed.	The client will create a venue for consultation with the local community. The access to resources will be included in consultation topics, as well as the client plans to enable an independent assessment.	October 13, 2017	Confirmed that there was a discussion among community members with regard to the access to resources during the first community meeting held in Kushima office and on Uchinoura branch in late September, as provided in the minutes of the meetings. (Closed 12Oct2017 by TS)

NC reference	Indicator	Grade of NC	Description of NC	Evidence	Date of detection	Status	Root cause (by client)	Corrective/ preventive actions implemented	Deadline for NC close-out	Evaluation by CAB (including evidence)
KUR17-16	7.3.2	Minor	There is no assessment of the farm's impact upon access to resources conducted. However, the Company has interaction with local government and fishery cooperative with regards to access to resources.	<p><u>A.</u> There are no assessment of farm's impact upon access to resources.</p> <p><u>B.</u> There is no assessment of farm's impact upon access to resources conducted. However, it was confirmed by community meeting that the Company currently works together with the Kushima fishery cooperative, Kushima City, Miyazaki Prefecture and other companies to develop new fishery grounds and ensure local private fishermen fair access to resources.</p>	July 13, 2017	Closed	Lack of awareness of extent of evaluation and consultations needed.	The client will create a venue for consultation with the local community. The access to resources will be included in consultation topics, as well as the client plans to enable an independent assessment.	October 13, 2017	Confirmed that there was a discussion among community members with regard to the impact of the company on access to resources during the first community meeting held in Kushima office and on Uchinoura branch in late September, as provided in the minutes of the meetings. <u>(Closed 12Oct2017 by TS)</u>

ASC Audit Report - Traceability

10	Traceability Factor	Description of risk factor if present.	Describe any traceability, segregation, or other systems in place to manage the risk.
10.1	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.	Low	<p>A sample cage with cage lot # 15TM 031-1 which has been harvested on 2016/7/15 has been traced back to the receipt of fingerlings from Ei hatchery. Records reviewed included:</p> <ul style="list-style-type: none"> • Harvest plan for 2016/7/15 (incl. cage# 15TM 031-1, fish counts, ASC- applicability field will be added). • Pre-harvest drug use confirmation table (incl. cage lot # 15TM 031-1). • Breeding log (created per cage (cage lot # 15TM 031-1), per month (daily data), with details about treatments (drugs administered, quantities), dead fish count, disease survey data, type of feed used, quantity, feed lot, etc.) If at any rearing stage, from fingerlings receipt till adult fish harvest, ER or AM are applied to any cage, this will be registered in the breeding log. Without delay this cage lot # will be conveyed to the CAB together with drug administration details and in this way the fish originating from this cage will be removed from the scope of certification and will not be eligible to be sold as ASC – certified. • Fish split record dated 2016/3/25: Fish have reached a certain wt. and half of it (15TM 031) is moved to a new cage with lot # 15TM 031-1). • 1yo fish transfer record dated 2015/5/26 includes cage lot # 15TM 031 (from Uchinoura farm to Kurose farm). • Breeding log (1yo fish) for cage lot # 15TM 031. • Breeding log (1yo fish) for 2015/4 for cage lot 15TM temporary 25, showing fish were vaccinated and split into # 15TM 031 and # 15TM 032. • Fingerlings vaccination record dated 2015/4/21 (fingerlings from cage lot # 15TM temporary 25 were vaccinated and split into cage lot # 15TM 031 and 15TM 032). • Breeding log (fingerlings) showing that cage lot # 15TM temporary 25~29 fingerlings come from lot # 15TM. • Log for fingerling lot # TM15 for March 2015 showing that 7 Ei hatchery fingerling batches were delivered. • Receipt records for fingerlings delivered from Ei hatchery to Uchinoura farm in March 2015.
10.2	The possibility of mixing or substitution of certified and non- certified product, including product of the same or similar appearance or species, present during production, harvest, transport, storage, or processing activities.	Low	<p>All information relevant to a cage (e.g, feed types, quantities, number of days feed was given, nutrients and drugs applied (type and quantities), fish counts, average and total weight at the start and end of the month, dead fish counts and observed symptoms, fish transferred in/out of the cage counts, harvested fish counts, fish in a bad condition counts, operations that has taken place (fish split, transfer, vaccination) etc.) is registered daily in its breeding log. When fish are transferred from one cage to another both the old cage and the new cage’s breeding logs will have the information registered (i.e. recordings are duplicated). In other words, the information can be cross-checked between records from two consecutive operation stages. Also, separate detailed records about vaccination events, between-farms fish transfer, splitting operations, drug administration etc. are duly maintained.</p> <p>This robust management system allows the traceability of each harvested lot to its fingerling origins, as well as retracing all events in its breeding history. For example, if an antimicrobial is administered to a cage, this will be immediately registered into this cage's breeding log (also can be cross-checked with the relevant drug-application related records). As a result, this cage would be identified as not ASC eligible (and status communicated to SCS). Given the above described robust traceability system operated by the client, the risk of mixing or substitution of certified and non-certified product appears to be adequacy controlled.</p>
10.3	The possibility of subcontractors being used to handle, transport, store, or process certified products.	None	None used.
10.4	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.	Low	See 10.2 above.

10.5	Detail description of the flow of certified product within the operation and the associated traceability system which allows product to be traced from final sale back to the unit of certification	See above.
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10.6	Traceability Determination:	
10.6.1	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	Yes, see 10.1 and 10.2 above.
10.6.2	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	N/A
10.6.3	The point from which chain of custody is required to begin.	Arrival at Processing Plant
10.6.4	Is a separate chain of custody certificate required for the producer?	No

ASC Audit Report - Closing

12 Evaluation Results

12.1 A report of the results of the audit of the operation against the specific elements in the standard and	Kurose had 8 major and 1 minor NC's in the technical principles, and 7 minor NC's in the social principles.
12.2 A clear statement on whether or not the audited unit of certification has the capability to consistently meet the objectives of the relevant standard(s).	Once the Major NC's (relating mostly to feed information) are closed, and Minor NC's pertaining to the social principles the company appears well prepared to meet the requirements of the ASC Seriola Standard.
12.3 In cases where Biodiversity Environmental Impact Assessment (BEIA) or Participatory Social Impact Assessment (PSIA) is available, it shall be added in full to the audit report. IF these documents are not in English, then a synopsis in English shall be added to the report as well.	NO BEIA or PSIA (not required)

13 Decision

13.1 Has a certificate been issued?	Yes
13.2 The Eligibility Date (if applicable)	Date of Certification
13.3 Is a separate coc certificate required for the producer?	No

13.4 If a certificate has been issued this section shall include:

13.4.1 The date of issue and date of expiry of the certificate.	16 December 2017 thru 15 December 2020
13.4.2 The scope of the certificate	Sea cage production of Japanese amberjack (<i>Seriola quinqueradiata</i>)
13.4.3 Instructions to stakeholders that any complaints or objections to the CAB decision are to be subject to the CAB's complaints procedure. This section shall include information on where to review the procedure and where further information on complaints can be found.	Any complaints or objections to the CAB decision are to be subject to SCS Global Services complaints procedure: https://www.scsglobalservices.com/your-feedback

14 Surveillance

14.1 Next planned Surveillance	
14.1.1 Planned date	July 1, 2018
14.1.2 Planned site(s)	Kushima, Nobeoka, Uchinoura, Japan
14.2 Next audit type	
14.2.1 Surveillance 1	Multisite