



 Planet Tracker

The Financial Benefits of Seafood Traceability

27 June



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Who **we** are

Planet Tracker is a non-profit sustainable finance think tank

Our goal: To align financial markets with a sustainable future

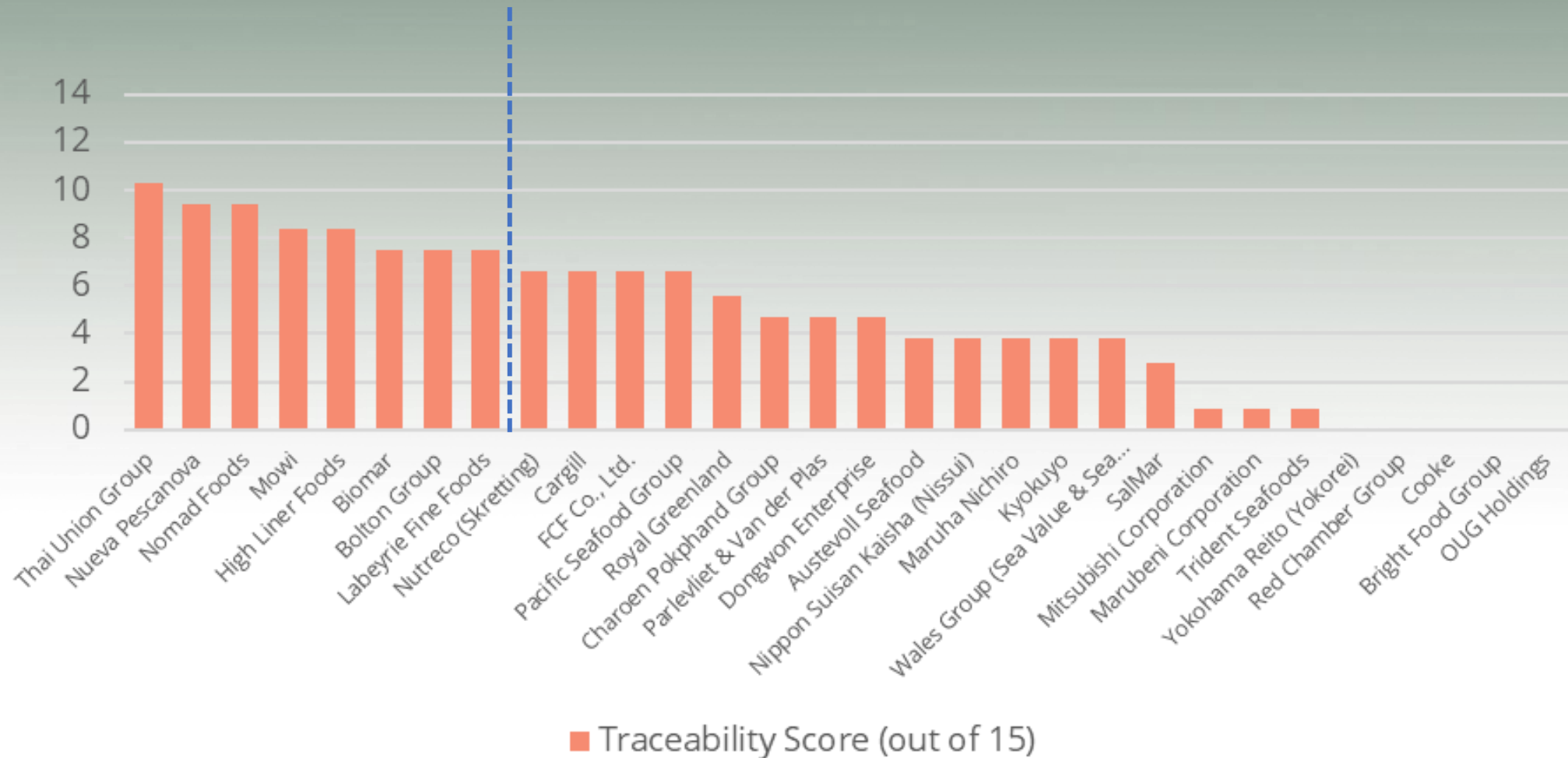
Planet Tracker is part of the Tracker Group





1. Seafood supply chains are typically not traceability-ready

Most large seafood companies can do better on traceability



(Source: World Benchmarking Alliance – the Traceability Score includes four indicators)

Key barriers

✓ **Data availability**

- IUU fish (emphasis on the 'U's)
- Vessels without AIS or with AIS switched off
- Transshipment and/or multiple aggregators in the supply chain
- Cultural habits

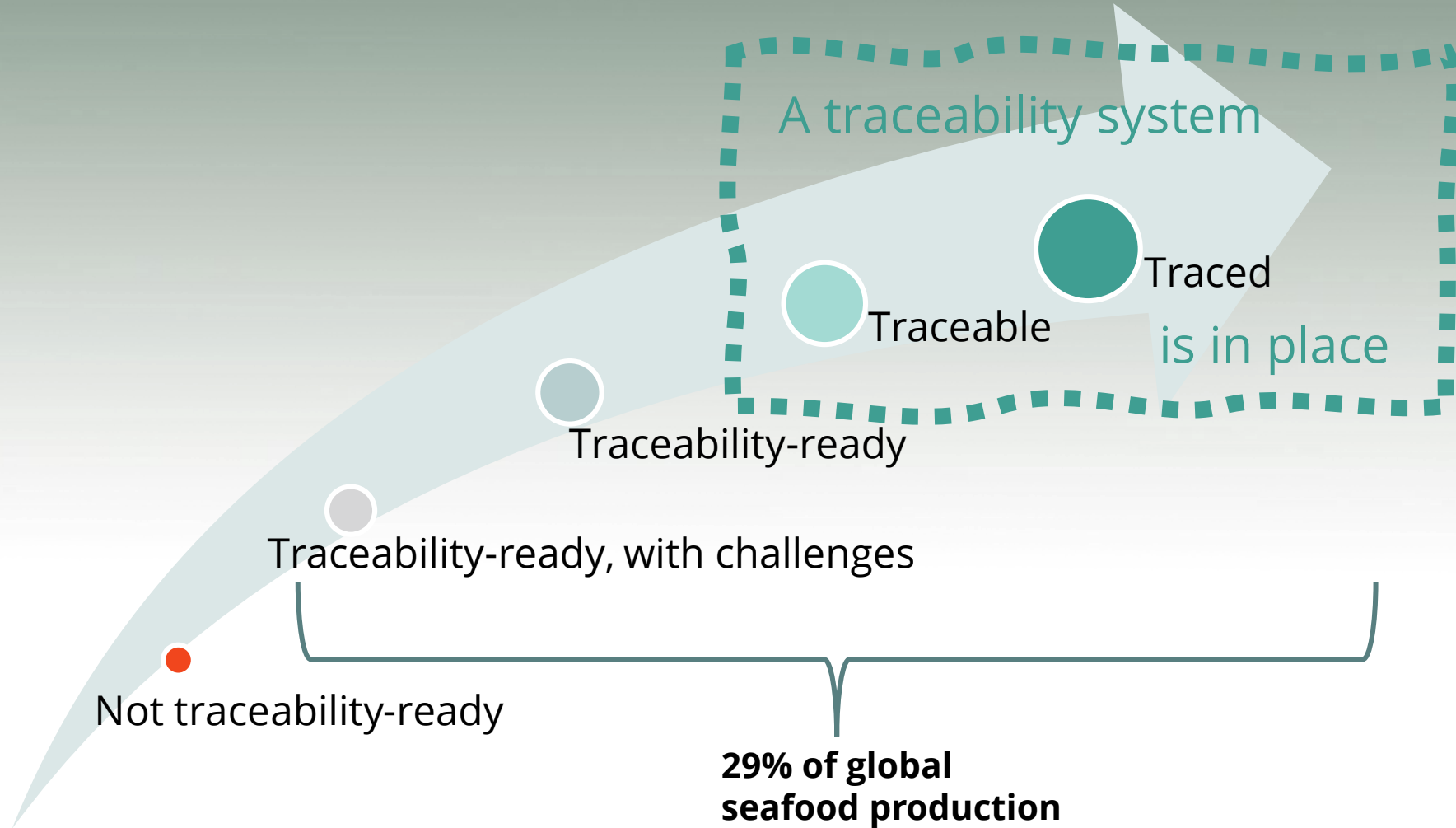
✓ **Data verification**

- Editable paper-/spreadsheet- based systems
- Digitalization
- Corruption levels

Key challenges

- ✓ **Interoperability**
- ✓ **Incentives**
- ✓ **Explicit support of senior management/owner**
- ✓ **Investment in traceability, or a wider platform / IT system?**
- ✓ **Where does traceability sit in the organization?**

Introducing traceability readiness



Measuring traceability readiness

Item	Source	Metrics used	Categorisation rule
Aquaculture			
Sustainability incentives / disincentives	SeafoodWatch	Overall score	If farming technique/species/country combination score is >3.33/10, incentive, otherwise no incentive
Operational challenges - Digitalisation	Digital Adoption Index (WorldBank)	DAI Business Sub-index (2016)	If country score is in bottom half, challenges, otherwise no challenges
Operational challenges - Corruption	IUU Fishing Index	Perception of level of corruption	If country score is 3 or lower, challenges, otherwise no challenges
Wild-catch			
Sustainability incentives / disincentives	FishSource	1/2 average of all scores excl. current fish stock health, 1/2 current fish stock health	If fishery score is above 5/10, incentive, otherwise no incentive
IUU fishing prevalence	IUU Fishing Index	Prevalence index	If country score is less than 3, incentive, otherwise no incentive
Operational challenges - Lack of data	SeaAroundUs	% of unreported landings by EEZ/ species	If % unreported is above 5% for a given species/ EEZ combination, challenges, otherwise no challenge
Operational challenges - Digitalisation	Digital Adoption Index (WorldBank)	DAI Business Sub-index (2016)	If country score is in bottom half, challenges, otherwise no challenges
Operational challenges - Corruption	IUU Fishing Index	Perception of level of corruption	If country score is 3 or lower, challenges, otherwise no challenges

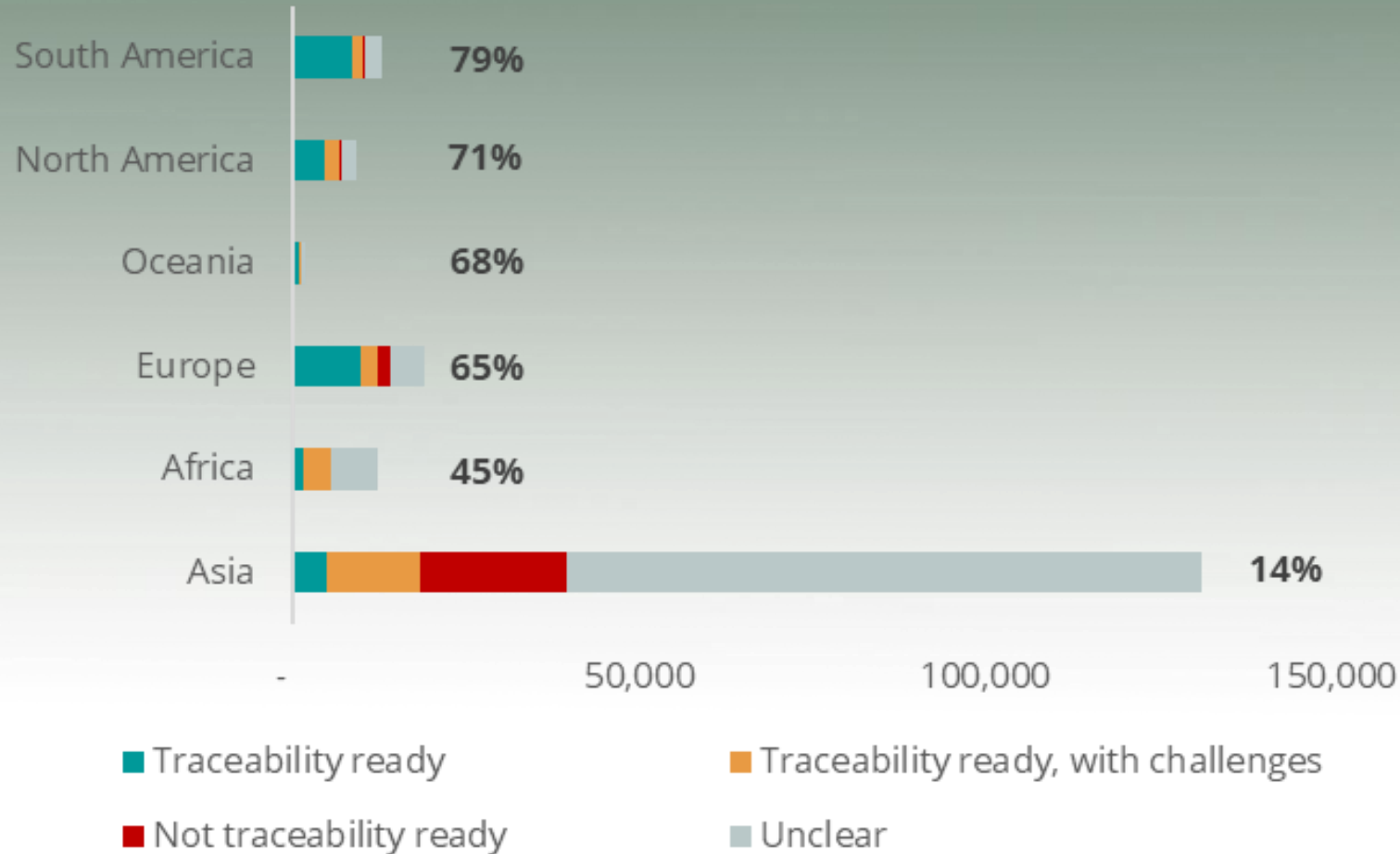
Traceability readiness by country



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Proportion of National Seafood Production that is Traceability-Ready (Source: Planet Tracker)

Europe is not leading

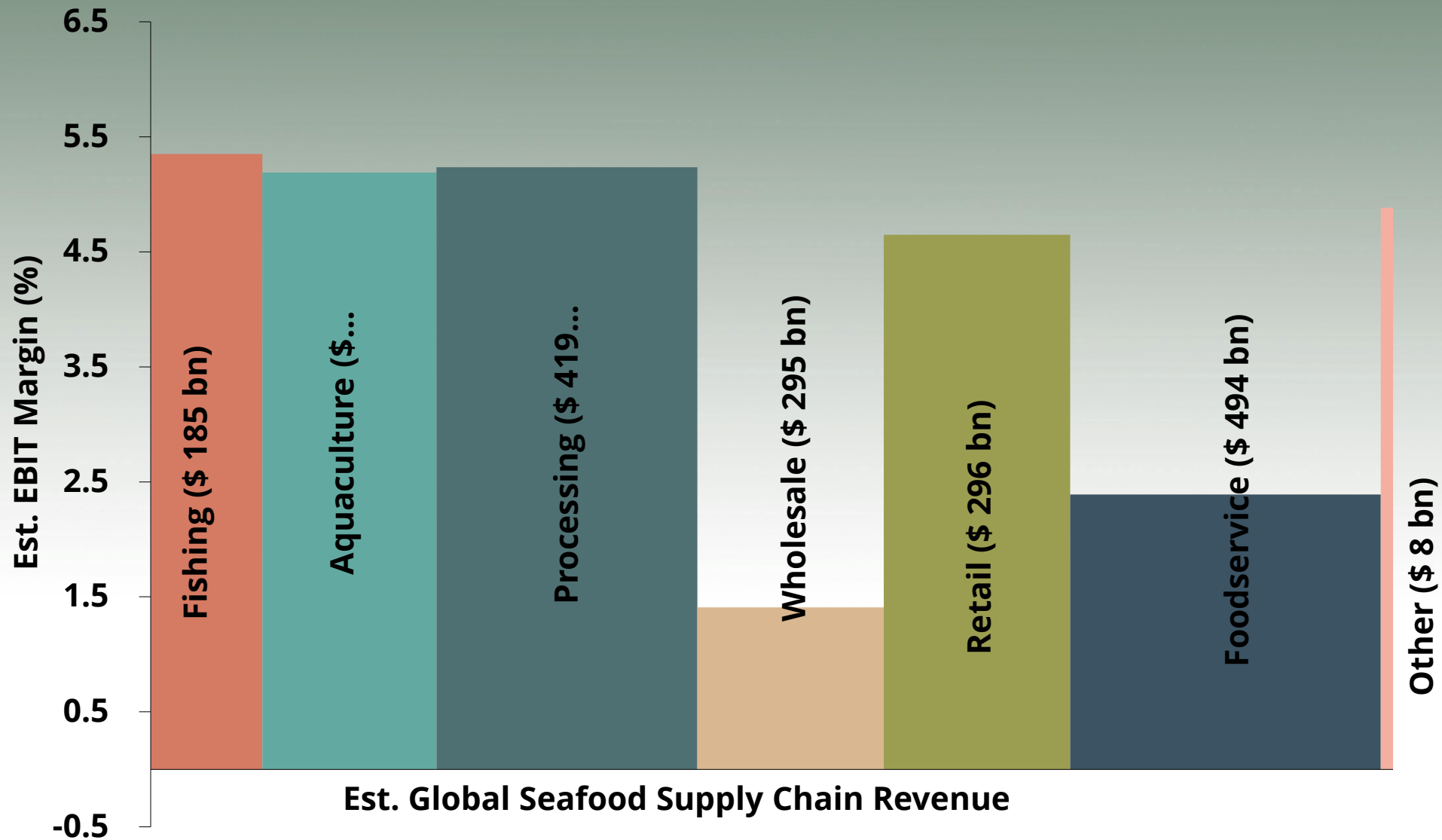


Traceability Readiness of Total Seafood Production by Continent (Source: Planet Tracker, Volumes In Thousands Tonnes,)

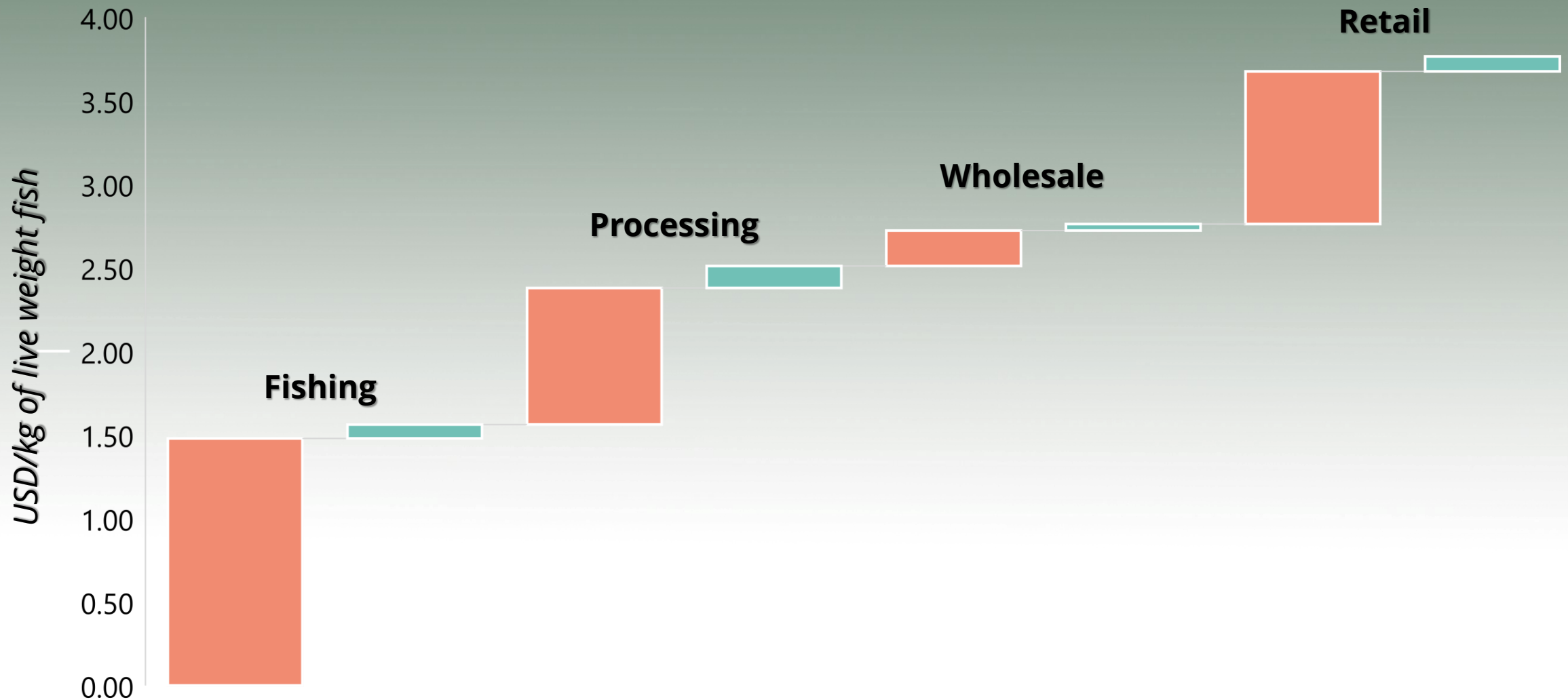


2. Traceability Improves Margins

A \$1.8tn supply chain, with low profits

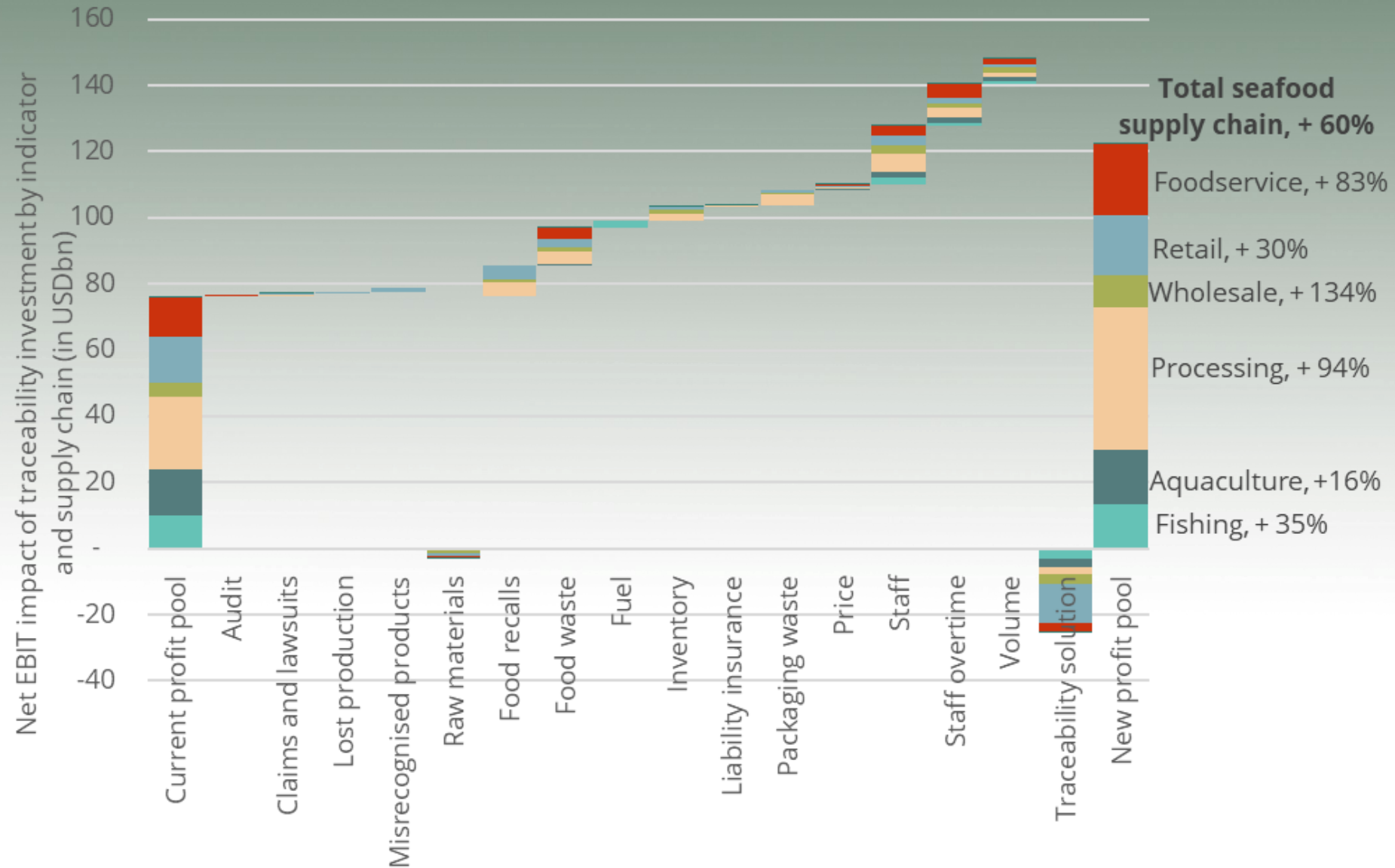


Production costs are the key driver of end prices

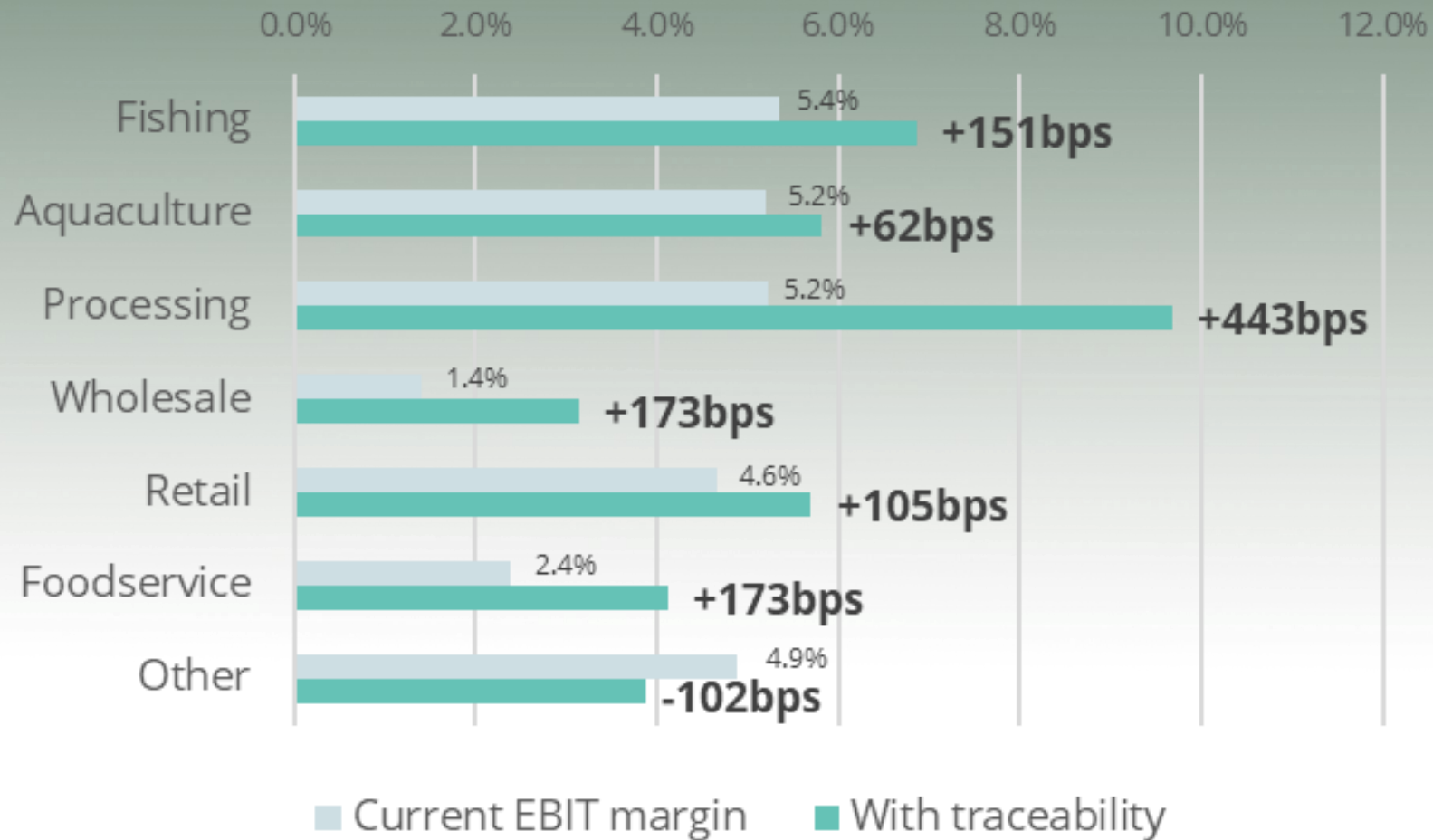


Split of the Global Average Retail Value ex VAT of 1 Kg of Wild-Caught Seafood (Source: Planet Tracker)

Modelling the benefits of traceability



Impact of traceability on profit pool

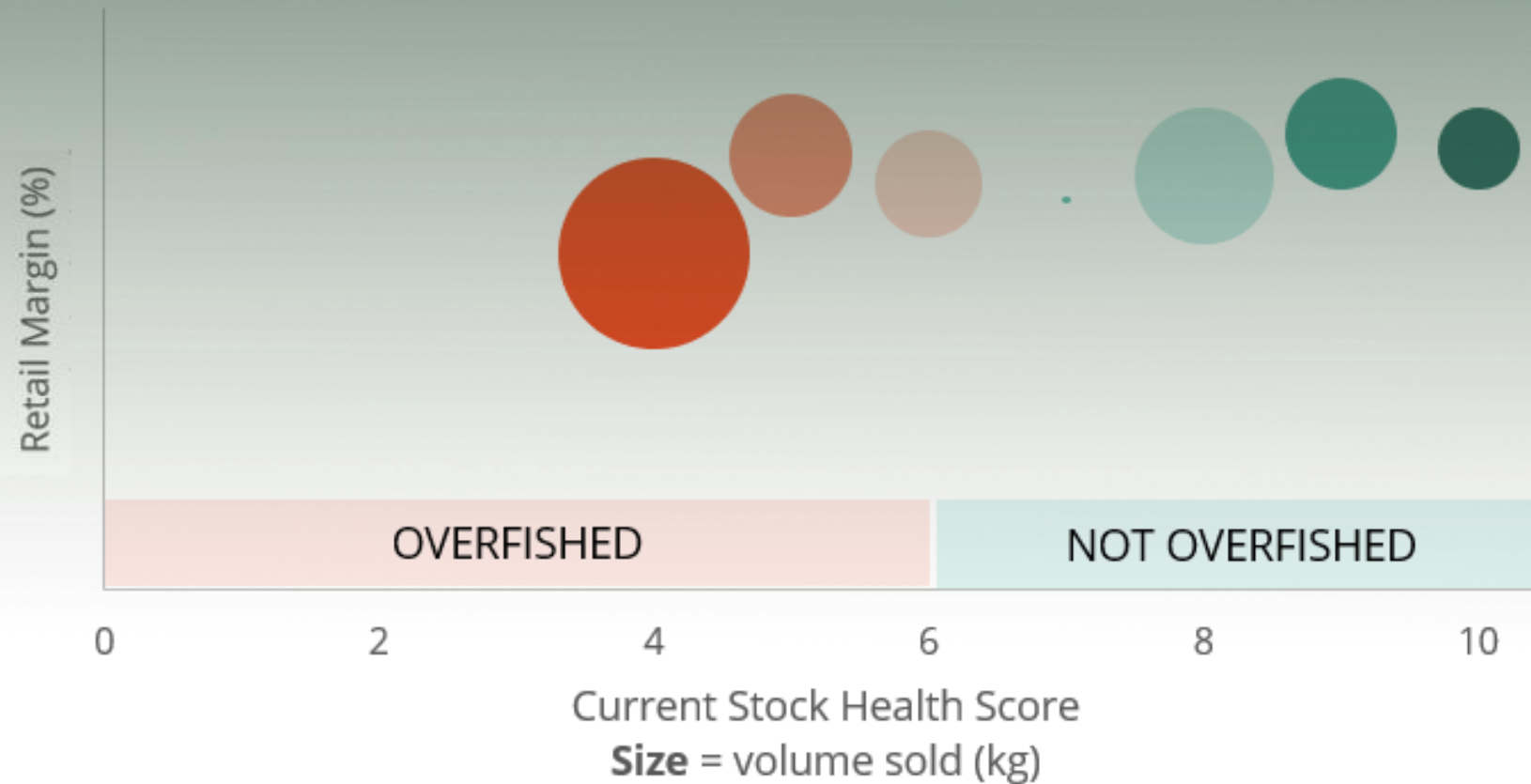


Impact of Seafood Traceability on the Global Seafood Supply Chain EBIT Margin by Sector (Source: Planet Tracker)



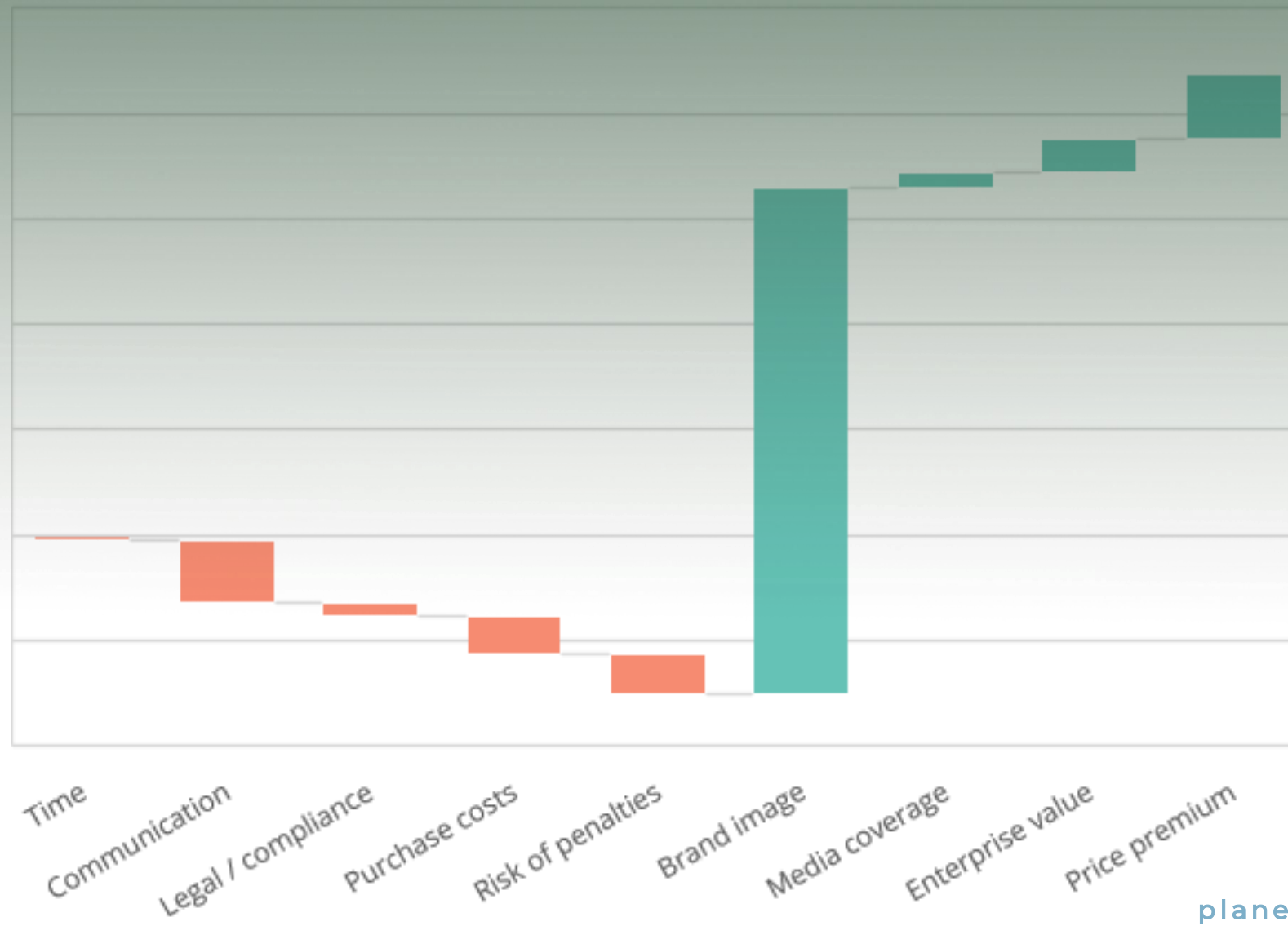
3. No Transparency without Traceability

Traceability enables better management



Est. 2021 Retail Margin at Carrefour France vs. Current stock Health of Wild-Caught Species as per FishSource (where 10 is the Healthiest)


Transparency: a profitable investment





4. Unlocking Traceability Opportunities

Reaping the benefits of traceability

- 
1. Seafood offering by product name and supplier
 2. Certification
 3. Country or FAO zone of harvest
 4. Production method (farmed or wild-caught)
 5. Detailed harvesting method
 6. Exact species (scientific names) purchased/sold
 7. Exact harvest location (GPS coordinates or exact farm)
 8. Stock health and population trends for wild fish // key assessment of aquaculture-related impacts (escapes, mortality, effluent, chemical use, etc.) for farmed fish
 9. Links between sustainability and profitability
 10. What to do to improve both

WHAT YOU NEED TO KNOW

Exact species

Exact type of gear or farming technique

Exact location of harvest

Policymakers can help too

<i>(in USDmn)</i>	Traceability Investment – Fishing Sector only	Fishery Subsidies	Investment as a % of Fishery Subsidies
Asia	952	19,515	5%
Europe	318	6,372	5%
Africa	131	2,099	6%
Oceania	103	807	13%
North America	338	4,866	7%
South America	136	1,688	8%
World	1,978	35,347	6%

Global Fishing Sector - Traceability Investment Needed Compared to Fishery Subsidies
(Source: Planet Tracker, in USD million)



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Thank You

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