



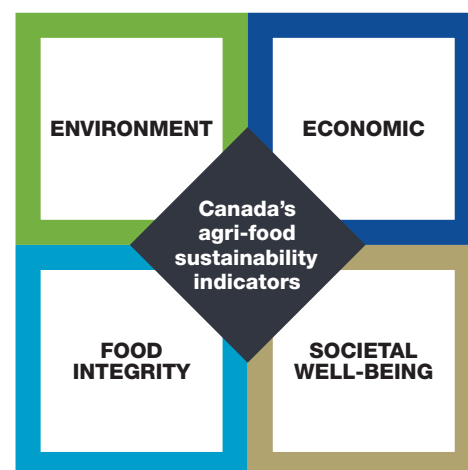
## 3.2 Designing the Index | Coalition-driven

### ■ What is the National Index on Agri-Food Performance?

Worldwide, people want greater assurances that agriculture and food is sustainable. The National Index on Agri-Food Performance presents Canada's response by reporting on the sustainability of Canada's food sector, from food production to retail on a consolidated basis.<sup>1</sup>

### ■ What does it measure?

While much is being done to improve sustainability across the country, the Index compiles for the first time a comprehensive national picture of the agri-food sector's sustainability and the data gaps. Twenty indicators and over 130 metrics assess four blocks of sustainability: environment, food integrity (which includes food safety), societal well-being and economic sustainability (Figure 1). Taking a holistic approach to sustainability shows how this country's food sector *ought* to be measured.



*Figure 1: National Index metrics report on the four blocks of sustainability*

### ■ Why was it developed?

A diversity of 129 Canadian food system players have come together to form and measure a breadth of sustainability priorities. Around the world, it is increasingly recognized that measuring and acting on complex sustainability issues – such as addressing climate change – requires working differently. This Canadian coalition is an unprecedented collaboration.

By identifying metrics, highlighting key data gaps, and improving transparency, the Index looks to inspire, encourage, and increase reporting across the sector, thereby improving alignment. Demonstrating the current state of sustainability – which reflects producers' and companies' efforts to continuously improve – and showing the progress is a shared objective.

### ■ What is it not?

The Index does not score individual producers or food companies. It is not prescriptive (i.e., stating how they should be more sustainable). The Index presents consolidated outcomes of performance for the overall agri-food sector. As data improves, greater insights can be reported by sub-sector and province. The Index does not rank Canada's comparative performance domestically or against other countries, although the Index is designed with global goals and standards in mind.

### ■ Will it be a “label”?

The Index is not meant to be a consumer-facing *label* nor assess the sustainability of individual commodities or products presented to the consumer. It does not measure consumer diet choices or food consumption trends. But

<sup>1</sup> The Index measures largely what is directly related to and in the control of production (all forms of agriculture and fisheries/aquaculture), processing and food retailing, and bioproducts sectors

the Index could be widely referenced by producers, processors, retailers, governments, and others to provide context about the sustainability journey of the agri-food sector in general. Therefore, it complements the individual actions being taken across the sector to mark continuous improvement and comply with increasingly rigorous sustainability requirements.

### ■ So, is this really an “index”?

Indices typically enable a judgement to be made of relative performance. For instance, several global agri-food indices compile weightings of indicators and calculate performance ratings to compare the sustainability of companies, sectors, and countries. Canada’s Index pilot does not do so because *Index 1.0* compiles, for the first time, a detailed inventory of metrics across the four blocks of sustainability. But with better data and time series in hand, the Index will allow for relative performance to be assessed and serve as a sector-wide benchmark. Publishing *Index 2.0* and beyond will allow progress and shortcomings to be tracked in a more fulsome way.

### ■ Why a “made in Canada Index” (and not adopt an existing global index)?

The Index is designed with the Canadian agriculture and food context in mind. Global indices, while covering many similar sustainability themes – environment, work force and labour, etc. – often need to be tailored to meet a country’s respective situation. Some global indices and goals are very specific to emerging and developing countries’ food systems. The Canadian Index captures the geographic and agriculture realities and nuances that Canada faces while applying methodologies that are nationally relevant. While both the Index and other global indices rely on surveys and practices as proxies for evidence, the intent of the Canadian initiative is to step-up the quality of domestically available metrics by focusing on science- and outcomes-based measures.<sup>2</sup>

### ■ What is the value of designing the Index at home?

Other countries are developing sustainability benchmarking schemes, including Australia, New Zealand, and the United States, or have done so, notably Ireland. Similar to Ireland, Canada’s Index is focused on the entire food sector from production to retail, while other schemes are largely production agriculture focused. These efforts all share one attribute, benchmarking is a catalyst to improve sector-wide collaboration.<sup>3</sup>

Global indices are elevating the global conversation about measuring sustainability and inspiring action. Canada’s Index-development process benefitted from external advice from several such indices, standards, and benchmarking organizations.<sup>4</sup> But it became clear that the strongest likelihood of success was creating a Canadian-made Index aligned with global best practices. It is unlikely that simply “importing” a global scheme would have attracted such diverse support in this country.

### ■ Do Canada’s and global metrics vary?

Canada’s Index does not adopt all global measures. Data limitations are one reason to choose some metrics over others (a common challenge for all countries). In other cases, the Index pilot addresses some measures as a starting point. The Index suggests enhancing measures for a number of indicators, such as for biodiversity and improving matters pertinent to Indigenous agriculture once better data is available. As well, global indices and standards tend to emphasize tracking “practices” whereas Canada’s Index emphasizes marking progress on “outcomes,” although some practice-based metrics are relied upon where there is inadequate outcomes-based data available.<sup>5</sup>

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2 See a paper from the University of Guelph; *Global Indices Research*, Dec. 2020 (phase 1): [agrifoodindex.ca](http://agrifoodindex.ca)

3 “Food system” stakeholders include Indigenous, social, and environmental NGOs, academia, governments, financial institutions, technology and service providers, innovation organizations, etc.

4 Several global organizations reviewed Canada’s draft indicators. See *Highlights of Projects*, Part 3, Final Report of Phase 2C, May 2022. Global indices and standards were also assessed for each indicator in the Index pilot (2023)

5 This pilot considered how Canada’s Index aligns with a number of global indices and standards, notably the Global Reporting Initiative (GRI), the Sustainability Assessment of Food and Agriculture systems (from the UN’s Food and Agriculture Organisation), the Food and Agriculture Benchmark (World Benchmarking Alliance), the Environmental Performance Index (Yale Center for Environmental Law & Policy), the Sustainability Food Index (*The Economist*), and the Sustainable Development Report (United Nations). See *Index Indicators and Metrics*, Part 2, Final Report of Phase 3, May 2023

With experience, feedback and better data in hand, Index measures are expected to evolve. The intent is to become more globally aligned over time where warranted. This might include further aligning terminology with changing global taxonomies and standards and meeting new requirements, thereby likely helping Canadian agri-food to respond to such global developments.

## ■ Will the Index align with national and global goals and standards?

Indicators are cross-referenced to the United Nations Sustainable Development Goals (SDGs) and are inspired by environmental, social and governance (ESG) factors being advanced in capital markets and by securities regulators. ESG reporting is increasingly required of companies worldwide for companies to improve comparability. In short, the global frameworks (such as the ISSB) and companion reporting platforms (e.g., CDP and TCFD)<sup>6</sup> are all seeking to achieve a similar objective, to drive-up sustainability disclosures and align companies and their supply chains worldwide in doing so.

Canada's Index is focused on an inclusive and bottom-up process to engage this country's agri-food sector as a whole and the broader food system. It is about encouraging broad *shared ownership* to make benchmarking possible and improve upon it.

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6 ISSB is the International Sustainability Standards Board; CDP is formally known as the Carbon Disclosure Project; and TCFD is the Task Force on Climate-Related Financial Disclosures

**The National Index on Agri-Food Performance is a first-of-its-kind Canadian initiative to define and report on a comprehensive and consolidated picture of sustainability from food production to retail.**

Complete Index results along with references to global practices are available at [agrifoodindex.ca](https://agrifoodindex.ca). All information in this paper is sourced from the Index (Part 2) unless otherwise stated. This paper is one of seven published together as Part 3 of the Phase 3 Final Report, May 2023.