With the United Nations' Sustainable Development Goals on the Horizon, the European Food Sector appears under-prepared

In the latest version of the new United Nations' Sustainable Development Goals (replacing the Millennium Development Goals that expire this year), the "Promotion of Sustainable Agriculture" is set to be formalised in the scope of Goal Number 2[1]. In effect, these new Goals will place Food companies as a central component of the architecture that the UN is seeking to develop in order to build a more sustainable planet. Stakeholders' expectations for food companies regarding sustainable agriculture are already high and following the launch of these new Goals at the end of 2015, these expectations are set to increase further. In this context, Vigeo's latest review of the European Food Sector (published February 2015) raises points for attention.

Amongst the 28 ESG factors analysed for the Food sector, Vigeo assesses how Food companies are managing their impacts on the natural resource base upon which the agricultural economy depends. In particular, the following factors enable a detailed analysis of companies' approach to the environmental challenges associated with Sustainable Agriculture:

- Companies' **management of impacts on biodiversity** during Crop Production, Aquaculture, Animal Rearing, Biofuel Production, as well as GMO cross contamination;
- Companies' **management of water consumption and emissions** at the agricultural stage;
- Companies' **management of atmospheric emissions** produced during agricultural production.

Companies that actively address these challenges are better positioned to respond to the international communities' expectations and to the related investor attention. Despite this, Vigeo is provided with very low assurance that the European panel (composed of 17 companies) is actively managing its atmospheric emissions (weak sector average score at 12/100). This is a cause for concern considering that it is estimated that half of food companies' atmospheric emissions are produced at the agricultural stage[2]. Vigeo's 2015 review also revealed a weak European sector average score of 26/100 with regards to protecting biodiversity. This actually reflects a slight decline in the sector average performance over the last four years. Whilst a few companies have reported noteworthy improvements, overall 68% of the panel currently fail to demonstrate an active management of this topic.

[1] "Open Working Group proposal for Sustainable Development Goals" – UN Sustainable Development website – accessed 23/03/2015

[2] "Standing on the Sidelines Report" – Oxfam – 2014

Alongside this, despite estimations that agricultural processes entail 92% of the world's water consumption[3], only 44% of the European panel appear to tackle agricultural water use and only 18% report specific steps to manage water emissions at the agricultural stage.

Indeed, by way of conclusion on this topic, it is worth noting that when assessing European Food companies' overall environmental performance, including the upstream (agriculture), production (such as water and energy use and emissions during production) and downstream impacts (such as packaging waste), the sector performance is considered as weak with an average score of 29/100. This does represent a marginal improvement over the past four years and indeed, despite the overall lack of active of management within the sector, some Food companies are certainly leading the way on these topics and are likely to be well positioned to answer the expectations of key stakeholders and the upcoming development objectives of the international community.

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[3] "National water footprint accounts: The green, blue and grey water footprint of production and consumption"- UNESCO Institute for Water Education – May 2011