

# Banking Asia's Protein Transition



Financing the Shift  
Towards Responsible and  
Sustainable Food & Agriculture  
Systems for Asia

November 2025

# Asia Research & Engagement (ARE)

*Catalysing corporate change through investor-backed engagement.*

ARE brings leading investors into dialogue with Asian-listed companies to address sustainable development challenges and help companies align with investor priorities. With decades of Asia experience, our cross-cultural team understands the region's unique needs. Our high-quality independent research, robust investor network, and engagement expertise, provide corporate leaders and financial decision makers with insights leading to concrete action.

Current programmes and goals are:

- **Energy Transition: Credible transition pathways in alignment with the Paris Agreement.**
- **Protein Transition: Transition pathways working towards our investor-aligned 2030 vision.**

Founded in 2013, ARE is headquartered in Singapore with an additional office in Beijing and a presence in India, Thailand, and Japan.

## Authors

Sheetal Rana, Rituj Sahu, Kate Blaszak

## Research

Dave Luo

## Editing and Comments

Mat Oakley, Wai-Shin Chan, Ben McCarron

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# Foreword

It is well known that the food and agriculture sector is crucial to Asian livelihoods, as well as the overall economic and social development of the diverse nations within the region. What is perhaps less well known is that food and agriculture is also integral to the region's sustainability challenges. The sector is both a victim and a perpetrator of climate change. However, the link between higher incomes and higher meat-protein consumption also impacts wider nature and biodiversity outcomes, as well as health and welfare risks across ecosystems and human society.

Thus, the sector not only underpins nutrition and livelihoods, but is also at the intersection of the great challenges of our time, driving emissions, deforestation, biodiversity loss, animal welfare and health risks, among others. Collectively and individually, all of these issues translate into financial exposure for businesses and banks. This exposure requires managing.

This first ARE Protein Transition Bank Benchmark report complements global tools by focusing on how banks in Southeast Asia and India are responding to these challenges. The findings show progress on governance, climate and emerging on nature, but limited attention to animal welfare, antibiotic use, and protein diversification.[KB1] For banks, this is not only a sustainability imperative but also a strategic opportunity. By financing more responsible and resilient food systems, they can mitigate risks while capturing growth in one of the most critical sectors of our time.

## **Wai-Shin Chan**

Director of Research  
Asia Research & Engagement

# Executive Summary

Asia's Food and Agriculture (F&A) sector is at the core of its economy, employment, and nutritional security, yet as the region grows wealthier, the industry is under rising pressure to meet surging demand for proteins.<sup>1</sup>

This presents opportunities and problems. Animal agriculture and its respective supply chains are major contributors to greenhouse gas emissions, deforestation, and biodiversity loss. Intensive animal farming also drives disease risks, antimicrobial resistance, and food safety concerns, all of which are exacerbated by low welfare standards.

Transitioning to sustainable proteins offers a compelling opportunity to help decarbonise and de-risk food systems and simultaneously meet Asia's surging demand. Banks, as one of the key sources of capital for the industry, have a critical role to play in driving this transition.<sup>2</sup> However, current financing models often externalise environmental and social costs while overlooking reputational, regulatory, and investor-based risks.

This research benchmarks 24 banks across six key markets in Southeast Asia and India, along with two regionally active international banks, to evaluate how they are supporting the F&A sector. It delivered three fundamental insights:

- Governance and oversight of protein sustainability in F&A are improving but remain uneven.
- Sector-specific financing frameworks and policies are nascent, and consideration for climate and nature issues is emerging, but there is little attention on animal welfare or responsible antibiotic use.
- There are significant opportunities for first-movers in Southeast Asia and India to set market precedents for sustainable lending frameworks, and in green/transition finance for the F&A sector.

While most banks acknowledge climate and nature-related risks, only a small minority have integrated food and agriculture into net-zero strategies or adopted sector-specific sustainable finance policies. To accelerate progress and avoid negative financial impacts, banks need to strengthen governance, integrate F&A into climate and finance frameworks, adopt robust policies on deforestation, animal welfare and responsible antibiotic use, while actively scaling finance for plant proteins, cage-free and nature-based solutions.

Doing so will enable banks to mitigate systemic risks and long-term threats to capital, meet investor expectations, and position themselves as leaders in shaping and supporting a just, humane, and climate-safe F&A sector across Asia.

## Key Thematic Findings

- **Sustainability Leadership and Oversight:** Of the 24 assessed banks, 15 demonstrate forward-looking practices, with board or committee-level oversight of climate and natural resource risks. One demonstrates emerging practices.
- **Board-Level Expertise:** Only five banks report board-level F&A sustainability expertise.
- **Sustainable Finance Policies:** Five banks publish sector-specific sustainable finance policies for F&A; none disclose monetary allocations or targets.
- **F&A sector in Net-Zero Commitments:** Two banks explicitly include the F&A sector in their net-zero strategies.
- **Scenario Analysis & Disclosure:** While most banks mention conducting transition or physical risk scenario analyses, disclosure is currently rare. One bank has begun sharing outcomes but significant gaps remain; 17 offer no disclosure.
- **Nature and Biodiversity:** Three banks have public commitments supporting the Kunming-Montreal Global Biodiversity Framework (GBF).
- **Sector-Specific Finance and Nature-Based Solutions:** Five banks have published sector-specific sustainable or transition F&A financing policies; fewer reference nature-based solutions. None disclose clear financing targets for protecting Nature.
- **Animal Welfare Policies and Financing:** No banks have formal policies addressing low-welfare animal production. Three reference animal welfare principles or responsible practices, but alignment with broader programmes such as the FARMS Initiative or exclusions for caged or low-welfare systems is currently lacking.
- **Responsible Antibiotic Use:** Only one bank has a policy promoting responsible antibiotic use in financed activities; glaring gaps remain in the prohibition of growth promotion use or restrictions on routine prophylactic use.
- **Plant or Alternative Proteins:** Three banks include plant-based or alternative proteins within their sustainable or green finance frameworks.

## Summary of Recommendations

We recommend banks take the following actions:

### Sustainability Governance:

- Establish a robust governance structure with specialised sustainability, risk committees knowledgeable about F&A sector.
- Implement well-defined reporting and accountability mechanisms to enhance transparency and credibility.
- Integrate sustainability governance and business strategy, with regard to aligning capital expenditure, to demonstrate strategic decision-making and sustainable growth.

**F&A inclusion in Sustainable Finance:**

- Integrate F&A sector-specific considerations into responsible capital allocation.
- Define sectoral eligible activities and projects within sustainable finance frameworks, prioritising solutions with verified environmental benefits, and green finance criteria, including sustainable plant-proteins as low-carbon products.
- Establish mechanisms to monitor, report, and evaluate the impact of financed projects, and adherence to bank policy.
- Disclose monetary allocations and sectoral targets to enhance transparency, accountability, and stakeholder confidence.

**Climate:**

- Set clear net-zero targets, including facilitated emissions and F&A decarbonisation pathways.
- Detail and scale-up climate scenario analyses for physical and transition risks and disclose outcomes.
- Encourage clients to align project activities with a 1.5°C pathway and expand financing for those demonstrating alignment. Maintain open dialogue with clients while gradually reducing financing for misaligned activities.

**Nature & Deforestation:**

- Exclude deforestation and related social impacts as part of a responsible lending framework, and sector-specific policies.
- Define and monitor pathways for portfolio clients on time-based commitments towards deforestation-free policies for all high-risk commodities, and nature-protective financing in high-impact F&A, especially animal feed and land use sectors.
- Explore exclusionary policies for high-risk commodities and embed traceability criteria, while simultaneously scaling incentives for sustainable sourcing and alternatives.
- Include green finance products for scaling plant proteins and Nature-based Solution (NbS) interventions to deliver climate, biodiversity, water, public health, and community co-benefits.

**Animal Welfare:**

- Integrate credible measurable animal welfare frameworks, ideally measurable FARMS Initiative standards, into lending and investment policies for the animal production sector.
- Encourage/incentivise clients to adopt higher-welfare systems such as cage-free, linking preferential financing or sustainability-linked instruments to measurable welfare outcomes or independent certification.
- Include higher-welfare animal production systems in sector-specific sustainable, green, or transition finance frameworks, linking capital allocation to measurable welfare outcomes.

**Antibiotic Use:**

- Establish a clear policy on responsible antibiotic use in lending and sustainable finance frameworks that focus on treating sick animals, prohibit growth-promoting antibiotic use, and encourage clients to adopt practices that phase out or reduce

- routine prophylactic use while strengthening animal welfare.
- Integrate responsible antibiotic use principles into sustainable, green, or transition finance, with measurable outcomes.

**Plant Protein:**

- Recognise plant-based or other novel/alternative proteins as eligible activities within green or transition finance policies.
- Incentivise adoption through green, sustainability-linked loans, bonds, or other preferential financing to support clients developing low-emission, resource-efficient protein solutions.

# Introduction

According to studies, the agri-food industry accounts for nearly one-third of total global GHG emissions,<sup>3</sup> almost half of which come from farm-based crop and livestock activities.<sup>4</sup> The Science Based Targets initiative (SBTi) says it is critical for the sector to achieve a reduction of at least 72% by 2050, while eliminating deforestation.<sup>5</sup>

A majority of investors believe a lack of climate mitigation in the meat and dairy sector significantly raises the risk of stranded assets, another study suggests.<sup>6</sup>

Beyond GHG emissions and climate risks, animal agriculture and related retail is now the biggest driver of tropical deforestation and biodiversity loss, predominantly via animal feed production. Its supply chains, dominated by monoculture feed crops and heavy reliance on agrochemicals,<sup>7</sup> further accelerate environmental degradation. It is also the biggest user of land, water, and antibiotics, generating substantial pollution.

Animal agriculture increases zoonotic disease risks, worker and food safety concerns, including those related to antibiotic overuse, and antimicrobial resistance (AMR).<sup>8</sup> The rise of cages, high-density, low-welfare, multi-storey livestock facilities further accelerate these vulnerabilities.<sup>9</sup>

ARE's Asia Protein Transition programme is backed by leading institutional investors managing around USD10 trillion. It sets out investor expectations of how companies and financial institutions manage protein-related risks and opportunities.

The themes explored in this research are in line with those expectations: governance, responsible antibiotic use, animal welfare, climate and nature (deforestation and biodiversity), and plant proteins (and other alternative proteins in due course).

The need for transition to more sustainable and healthy food systems and diets has been extensively documented by intergovernmental organisations, including the most recent 2025 EAT Lancet Commission<sup>10</sup> report on healthy, sustainable, and just food systems, and the Intergovernmental Panel on Climate Change.<sup>11</sup>

ARE's 2023 report "Charting Asia's Protein Transition" found that the conventional animal production systems approach in Asia's 10 largest markets is neither climate-safe nor protein secure. A holistic approach is needed that includes halting deforestation, curbing industrial animal production while applying a range of mitigations, along with the parallel scaling of alternative proteins.

To align with Asia adapted SBTi targets for the decarbonisation of protein systems, by 2060 plant and other alternative proteins must reach 60% in Indonesia, 50% in Malaysia, 40% in Vietnam, and 30%

**Animal agriculture and associated retail is a major GHG emitter, driving deforestation, biodiversity loss, health risks, and animal abuse.**

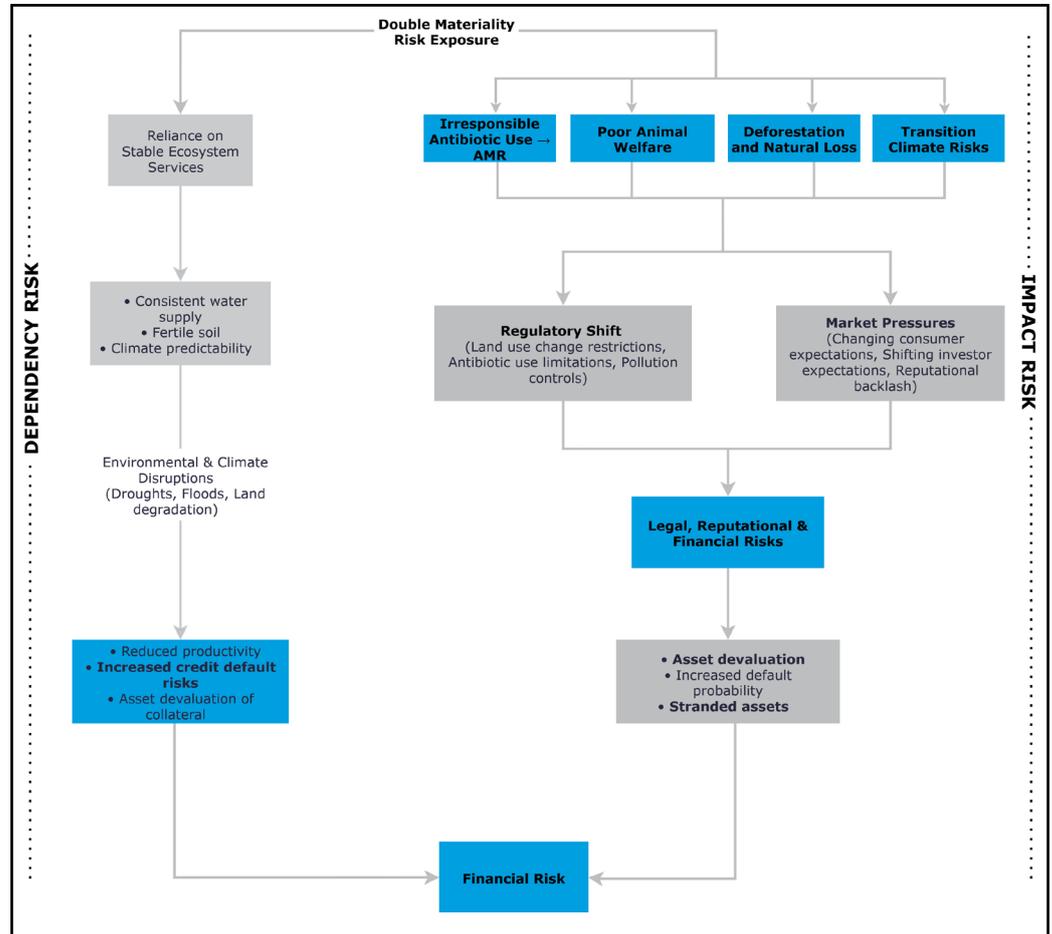
**Assessed themes are in line with investor expectations and recommended goals for 2030.**

**Alternative proteins must reach as much as 60% by 2060 to decarbonise regional food systems.**

in the Philippines. Even with strong action on deforestation, energy, emissions, and waste, Asia cannot meet its climate goals unless industrial animal production stops growing by around 2030.

Current bank financing models often enshrine dual dependency and impact risks, as shown below.

**Figure 1: Double materiality for banks associated with conventional animal agriculture.**



Source: Author's construct; Asia Research and Engagement

Recognition of this double materiality is increasingly reflected in emerging taxonomies and finance frameworks:

- **Responsible Finance Criteria for general loans:** These embed responsible financing criteria into general-purpose and sector-specific lending through clear policies, position statements, and risk-based due diligence.
- **Green and Sustainable Finance Frameworks:** These direct proceeds towards projects classified as Green or Sustainable, enabling capital to be deployed to measurable sustainability outcomes. The former typically includes finance for sustainable plant-based proteins, and non-industrial farming opportunities, while the latter includes financing for responsible livestock systems, such as deforestation-free sourcing, cage-free housing, and smallholder-inclusive models that enhance both resilience and welfare (see Annex).

In South and Southeast Asia, dedicated instruments/frameworks are already channelling capital into climate-smart agriculture, resilient value chains, and smallholder inclusion. Notable examples include DBS Bank's sustainability-linked loan (Singapore),<sup>12</sup> Samunnati's agricultural green bond (India),<sup>13</sup> and Thai Union's Blue Loan for sustainable shrimp farming (Thailand).<sup>14</sup> Global banks with a strong Asian presence, such as Standard Chartered and Rabobank, are also actively leveraging such instruments (discussed later in this report).

In addition, third-party standards and certification schemes help accredit or assure banks in their sustainable finance efforts, particularly those developed by the Climate Bonds Initiative (CBI) on climate, deforestation, and alternative proteins.<sup>15</sup>

Innovative financing strategies are gaining traction across Asia, offering banks a pivotal moment to align with Nationally Determined Contributions (NDCs), the Paris Agreement, global biodiversity and food security targets, and the UN Sustainable Development Goals, while securing capital and business into the future.

Within Asia, a growing number of markets are mandating Scope 3 emission disclosures for the largest listed companies. Singapore will introduce some requirements starting FY2026, followed by Malaysia in FY2027. In countries such as the Philippines, Thailand, and India, Scope 3 disclosure remains voluntary for now but is gaining attention. These trends should act as a signal for banks to embed emissions accounting and sustainability considerations into their financing decisions.

### Investor Momentum

Investor interest in responsible and sustainable proteins has gained momentum in recent years, signalling growing recognition of the financial materiality of F&A sector risks. Recent initiatives show investors increasingly expect banks and asset managers to adopt concrete commitments and implement responsible, sustainable policies beyond climate and nature to also responsible antibiotic use, animal welfare and protein diversification.

**Push for Policies/Targets:** Aside from ARE's protein programme, global investor-led coalitions are reinforcing this momentum. FAIRR's Sustainable Proteins Engagement<sup>16</sup> has called on food companies to adopt time-bound protein diversification targets. The FAIRR Protein Producer Index 2024<sup>17</sup> covers 60 of the largest global protein producers, 27 of them listed in Asia.

There are a range of tools that review and rank the climate and nature policies and progress of financial institutions, while The Business Benchmark on Farm Animal Welfare (BBFAW) is backed by an investor statement, and annually assesses 150 global food companies, including 21 publicly listed in Asia-Pacific.<sup>18</sup>

Meanwhile, Climate Action 100+<sup>19</sup> highlights the need for food-sector

**Asia's banks face a pivotal moment to align with Paris Agreement, NDCs, SDGs, and food security goals.**

**Investor-led coalitions are driving momentum.**

**Climate Action 100+ drives food-sector decarbonisation, while Nature Action 100+ deems F&A vital to reversing biodiversity loss by 2030.**

**Focus on animal welfare, traceability, deforestation-free sourcing, and protein diversification is intensifying.**

decarbonisation, and Nature Action 100+<sup>20</sup> recognises the F&A sector among eight others that are systemically important in reversing nature and biodiversity loss by 2030.

**Disclosure and Transparency:** Investor emphasis on greater transparency and accountability is being reinforced by new tools and unified expectations. ARE's investor-backed thematic disclosure expectations and recommended 2030 goals for Asia's listed food industries emphasise 10 key sustainability themes, including climate, nature, animal welfare, and responsible antibiotics use.

### **Global Frameworks Traction**

International frameworks such as Task Force on Climate-related Financial Disclosures (TCFD), the Taskforce on Nature-related Financial Disclosures (TNFD), and the International Sustainability Standards Board's (ISSB)<sup>21</sup> S1 and S2 standards are gaining traction with investors, companies and regulators. ISSB frameworks aim to harmonise, and also integrate sector specific standards, such as those for Meat, Poultry and Dairy, Retailers and Distributors, Restaurants etc. These frameworks serve as a foundation for regulators and reporting institutions worldwide.

Mandates such as the EU's Corporate Sustainability Reporting Directive (CSRD) and ISSB's global baseline seek to account for the emissions impact of financing activities. Financial institutions are under growing pressure to measure these impacts effectively.<sup>22</sup>

### **Regulatory Signals**

Across Asia and globally, regulatory reforms, financial commitments, and evolving consumer expectations are reshaping agri-food markets. There is a steadily growing momentum around regenerative agriculture, higher animal welfare, full supply chain traceability, deforestation-free sourcing, and protein diversification. At the same time, enhanced Environmental, Social, and Governance (ESG) disclosure and risk management practices are becoming central to business and finance. European Supervisory Authorities are integrating ESG risks into financial stress testing for banks and insurers.<sup>23</sup>

Globally, scrutiny of ESG claims is intensifying. The European Securities and Markets Authority has flagged critical gaps in disclosure quality and consistency.<sup>24</sup> Europe and other markets are also introducing legislation to prevent or control "greenwashing".

For Asian firms and banks with global exposure, this translates into increasing pressure to improve the transparency, consistency, and credibility of sustainability reporting, ideally employing a third party to verify claims, reports and avoid greenwashing. It also presents an opportunity for stronger disclosure. Integration of ESG risks into strategy can attract global capital, demonstrate leadership, and build long-term resilience. In Asia, these shifts are being reinforced by regulatory and financial mechanisms that enforce and reward sustainable practices. (See *Annex: Sustainable Frameworks & Taxonomies*).

We reviewed 24 major listed banks across six Asian markets, plus two non-Asian banks.

## Methodology

### Bank Selection

We reviewed 24 major listed banks across six Asian markets: Singapore, Malaysia, Indonesia, the Philippines, Thailand, and India, plus two non-Asian banks that have significant lending to the Asian F&A sector.

For each Asian market, we selected three of the largest banks by market capitalisation and their influence in the food and agriculture sector, with additional banks for India, Indonesia, and Thailand to reflect market size. In Indonesia and Thailand, where banks' loan books are comparatively smaller than in Singapore and Malaysia, we included additional banks to ensure balanced representation.

In planning this research, we recognised that domestic banks may seek comparisons with peers in other regions, so we included insights external to the region. To provide a better practice perspective, we included two non-Asian banks with a significant Asian presence and portfolios focusing on F&A. While we remain mindful of the differing economic contexts between Asia and Europe, we believe Asian banks can draw valuable lessons from global practices and adapt them to enhance their strategies. Our primary focus, however, remains on Asia and calculations were made for the Asian banks only.

**Figure 2: Asian markets, respective code and banks assessed**

Country	Code	Number of Banks	Banks (abv.)
Singapore	SG	3	DBS Bank (DBS) United Overseas Bank (UOB) Oversea-Chinese Banking Corporation (OCBC)
Malaysia	MY	3	CIMB Bank (CIMB) Hong Leong Bank (HLB) Malayan Banking Berhad (Maybank)
Indonesia	ID	4	Bank Mandiri (Mandiri) Bank Rakyat Indonesia (BRI) Bank Central Asia (BCA) Bank Negara Indonesia (BNI)
Philippines	PH	3	Banco de Oro (BDO) Bank of the Philippine Islands (BPI) Metropolitan Bank & Trust Company (MBT)
Thailand	TH	5	Bangkok Bank (BBL) Kasikornbank (Kasikorn) Krung Thai Bank (Krung Thai) Siam Commercial Bank (SCB) Bank of Ayudhya (Ayudhya)
India	IN	6	Industrial Credit and Investment Corporation of India (ICICI) State Bank of India (SBI) Housing Development Finance Corporation Bank (HDFC) Punjab National Bank (PNB) Indian Bank (IB) Central Bank of India (CB)

Source: Asia Research & Engagement

Questions reflect the emphasis of our investor-backed "Asia Protein Transition Platform".

### Assessment Structure

We used 11 questions, further divided into 27 sub-questions, to assess banks' disclosures, risks, and opportunities in the F&A sector. These questions reflect the present emphasis of our investor-backed Asia Protein Transition programme. The programme recognises the importance of including protein supply chain dependencies and impacts for identification and acknowledgement of all material risks, and the assessment questionnaire is intended to look at the same.

The assessment also draws partially on guidance from the recommendations of the TCFD. Questions were grouped into four categories: Governance, Risk Management, Policy, and Opportunity, and evaluated banks across broader themes including Climate, Nature and Deforestation, Animal Welfare, Antibiotic Use, and Plant Proteins.

### Scoring Structure

For each question, we classified bank practices according to international and regional standards. The benchmarks included best-practice disclosures identified by ARE and the Investor 2030 Protein Transition Goals. Simple, low-bar questions were included to acknowledge recent progress in the region. Banks needed to achieve A or B across all questions to demonstrate strong readiness in addressing risks and opportunities in the food and agriculture sector. The appendices (Annex 2) provide the full list of questions and detailed assessments for each bank.



### Consultation

We presented our initial assessment of results to several banks and investors during a hybrid workshop hosted in Singapore in May 2025 and separately shared the full assessment with all 24 banks for consultation and comments. Five banks responded, and one bank requested clarifications over email. All banks from Singapore provided feedback in some form, while response rates were lowest among banks from Indonesia and Malaysia.

# Overview of Results

Before addressing F&A themes, we first assessed banks on overarching parameters such as sustainability governance and the F&A sector’s inclusion in sustainable finance frameworks.

## A: Sustainability Governance

**Strong governance and risk management are critical for mitigating risks, and enhancing resilience, credibility, and performance.**

Governance and risk management structures, risk appetite, and corporate culture are critical enablers of institutional commitments, operations, and lending. For banks, they shape how responsible financing frameworks are translated into practice and may encourage sustainable or green finance allocations. Aligning internal governance frameworks with these commitments strengthens both the credibility and accountability of financial institutions.<sup>25</sup>

At the same time, the growing impacts of climate change expose companies and banks to a wide range of business risks. To enhance resilience and long-term sustainability, it is imperative to embed sustainability targets and risk management into governance systems. This not only enables risk mitigation and adaptation but also allows institutions to recognise and leverage emerging opportunities.

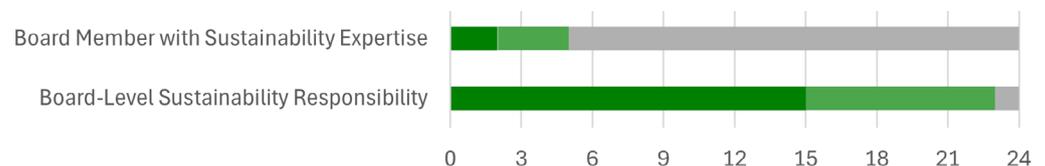
Governance responsibilities extend across economic, operational, market, and liquidity risks, and there is growing expectation for boards to provide stronger oversight of internal risk management processes to support informed decision-making. The effectiveness of boards can be further enhanced by establishing specialised committees with clear mandates and sector-specific knowledge.<sup>26</sup>

Evidence shows that institutions with stronger governance structures demonstrate more robust risk management frameworks, with reduced exposure to credit, market, liquidity, and operational risks. Corporate governance and risk management are thus deeply interconnected, shaping both institutional resilience and overall performance.<sup>27</sup>

Against this backdrop, our assessment of 24 Asian banks evaluated sustainability governance, focusing on board characteristics and expertise in this domain.

**Fifteen banks have either a board member or a board-level committee overseeing sustainability-related issues, including climate change and natural resource risks. Notably, all Malaysian banks assessed fall into this category.**

**Figure 3: Sustainability Governance across assessed Asian Banks**



For instance, Malaysia’s Hong Leong Bank reports the presence of a Board Risk Management Committee (BRMC), which actively reviews and oversees the bank’s sustainability initiatives across its business and operations. This includes monitoring progress on the adoption of Bank Negara Malaysia’s Climate Change & Principle-based Taxonomy, CRMSA, and Climate Risk Stress Testing, alongside enhancements to sustainability-related assessments and initiatives.

**Board-level sustainability expertise is limited across most banks.**

Disclosure reports or webpages note that the Committee also evaluates disclosure practices, particularly through alignment with the TCFD. As an active participant in sub-committees under the central bank’s Joint Committee for Climate Change, the BRMC also reinforces the board’s responsibility to embed sustainability into business strategies.<sup>28</sup>

Eight banks – including the majority in Indonesia and Philippines, and State Bank of India – have board-level oversight of sustainability-related issues, but do not have a board-level committee. Thailand’s Bank of Ayudhya has facilitated board-level oversight but does not have a board-level committee and hasn’t included climate change and natural resource risk.

On expertise, DBS and CIMB have board members with both academic and operational sustainability backgrounds. Bank of the Philippine Islands, Thailand’s Kasikornbank, and HDFC in India also stand out in their respective markets for having board members with sustainability expertise. The remaining 19 have no visible board-level expertise. Notably, none of the Indonesian banks demonstrated any sustainability expertise among the board.

**Limited expertise undermines bank’s to anticipate and capture F&A opportunities.**

This gap poses a strategic risk, as limited expertise undermines banks’ ability to anticipate, govern, and capitalise on emerging sustainability challenges and opportunities in the F&A sector. Advancing sustainability governance offers banks a chance to demonstrate market leadership, steer responsible and sustainable finance, and capture new growth pathways.

### **What Leading Peers Are Doing**

Standard Chartered bank publishes the Terms of Reference for its Culture and Sustainability Committee (CSC), which is chaired by an Independent Non-Executive Director and provides oversight on sustainability. The Terms clearly detail the CSC’s scope to review and guide the group’s Sustainability Strategy and progress towards targets and roadmaps including net-zero 2050, along with external thematic priorities, horizon risks, ESG ratings, key sustainability KPIs, and long-term planning.

### **The Terms of Reference for Sustainability for Standard Chartered's CSC mention:**

- I. "Review the Group's overall Sustainability Strategy.
- II. Review progress against the Group's external commitments, Sustainability Aspirations and delivery against key sustainability priorities including Nature and Biodiversity, Sustainable Finance, Position Statements, Human Rights and Modern Slavery.
- III. Monitor the implementation and delivery of the bank's public commitment to net zero emissions by 2050.
- IV. Monitor emerging sustainability issues that require board-level oversight and/or external stakeholder engagement.
- V. Monitor progress against the ESG Ratings Strategy Roadmap. (Responsibility for the Group's corporate governance framework remains with the Governance and Nomination Committee.)
- VI. Review sustainability measures included in the Group annual and/or Longterm Incentive Plan (LTIP) scorecards, as applicable and make recommendations to the Board, Remuneration Committee and Audit Committee as necessary."<sup>29</sup>

### **Recommendations**

- Establish a robust governance structure with clear roles and responsibilities, some independent directors, and specialised sustainability and risk committees. Investors value a clear organogram of the governance structure.
- Implement well-defined reporting and accountability mechanisms to enhance transparency and credibility.
- Integrate sustainability governance and business strategy, with regard to aligning capital expenditure, to demonstrate strategic decision making and mid- to long-term operational performance and sustainable growth

**Progressive banks support plant proteins, deforestation-free animal systems, and agroecology.**

### **B: F&A Inclusion in Sustainable Finance**

It is imperative for Asia's F&A systems to transition toward more responsible and sustainable models to achieve the Sustainable Development Goals (SDGs), future food security, biodiversity targets, and the Paris Agreement.

Financial institutions have a crucial role to play in this transition by embedding sustainability into finance frameworks that classify, allocate, and monitor activities with less negative and more positive environmental and social impacts.

Banks in many parts of the world are gradually aligning financial frameworks towards ESG considerations, supporting NDCs, Biodiversity Conventions, and the UN's SDGs. The most progressive lenders incorporate solutions that support plant proteins with a direct view to the most sustainable land, water and energy use

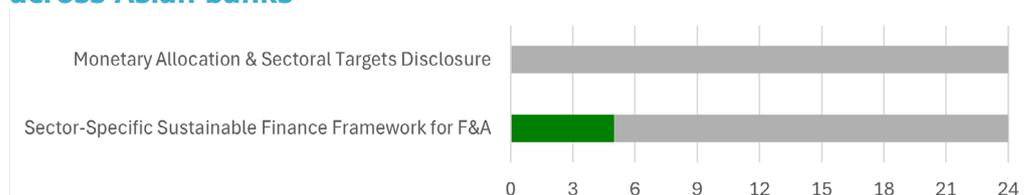
**Only five banks have F&A sustainable finance policies, but no targets.**

and integrated natural resources management. For animal proteins systems, they prioritise eliminating deforestation, protecting nature and communities, or ideally agro-ecology, along with technological improvements and levers to reduce emissions,<sup>30</sup> while delivering the most environmentally positive outcomes.

By setting sector-specific targets and allocations, banks can strengthen risk management, enable client transitions, and reinforce commitment to sustainable food systems and a low-carbon economy. We assessed the banks for having F&A sector-specific financing commitments/targets, with disclosures on financial allocations against these targets and commitments.

Progress remains nascent. Only five banks – DBS, CIMB, Maybank, Mandiri, and BDO – have published sector-specific sustainable finance policies for F&A. None disclose monetary allocations or sectoral targets.

**Figure 4: Food & Agriculture in Sustainable Finance Framework across Asian banks**



**DBS Bank's taxonomy backs sustainable farming, precision agri, and alt proteins.**

In its 2024 Sustainable Finance Taxonomy Framework, DBS lists eligible activities under Sustainable Agriculture, Aquaculture, and Animal Production as a sub-industry.

These include production and supply of organic food, low-carbon (crop) farming, integrated agricultural production systems, precision and data-driven agriculture management (including remote sensing and geographic information systems). It also includes investments into the production and supply of plant-based and alternative proteins with life-cycle GHG emissions lower than meat equivalents and feedstock from certified sources, among others.<sup>31</sup>

This highlights a critical opportunity for banks to integrate sector-specific targets and eligible activities into their sustainable finance frameworks. Clear disclosures on allocations and use of proceeds, backed by impact reporting, are key to strengthening risk management, enhancing transparency, and building stakeholder confidence.

However, the standards of organic farming vary significantly Asia, and the categorisation of "low-carbon" animal farming remains highly controversial.

### What Leading Peers Are Doing

Standard Chartered Bank's Green and Sustainable Product Framework<sup>32</sup> lists a wide range of agricultural and aquaculture

processes as eligible activities for sustainable or green and social finance.

These include investment in integrated cropland-livestock-forestry systems and agroforestry systems targeted at smallholder farmers, and in improved and sustainable farming techniques and equipment. The framework excludes activities such as livestock management projects for industrial-scale meat processors or producers, and technologies applied to industrial-scale livestock production units. The framework also covers the bank's approach to mitigating greenwashing.

**Standard Chartered reports using financial tools to support clients' low-carbon transition.**

In its 2024 Sustainable Finance Impact Report,<sup>33</sup> the bank disclosed utilising sustainable finance solutions including loans, bonds, trade finance, and carbon trading to support clients' transition to a low-carbon economy.

As of September 2024, the bank had mobilised USD121 billion since January 2021 against its 2030 USD300-billion commitment. The report also provides allocation and impact disclosures of operational green assets, presenting both achieved impacts and expected outcomes for ongoing projects across all eligible categories in its transition framework. However, despite the breadth of eligible activities, there is limited evidence of concrete commitments, plans, or targets specifically dedicated to agriculture or aquaculture financing.

### **Recommendations**

- Integrate F&A sector-specific considerations into broader risk management to strengthen strategic decision-making and responsible capital allocation.
- Define sectoral eligible activities and projects within sustainable finance frameworks, prioritising solutions with verified environmental benefits, and green finance criteria, including sustainable plant-proteins as truly low-carbon products.
- Establish mechanisms to monitor, report, and evaluate the impact of financed projects.
- Disclose monetary allocations and sectoral targets to enhance transparency, accountability, and stakeholder confidence.

# Climate

**F&A sector holds vast untapped potential for low-cost climate action.**

F&A has an outsized role in mitigating climate change, not only by reducing emissions but also by eliminating deforestation, supporting nature-based solutions and sequestering carbon naturally. The World Bank’s 2024 report “Recipe for a Liveable Planet: Achieving Net Zero Emissions in the Agrifood System” highlights that the sector is a significant untapped source of low-cost climate change action.<sup>34</sup>

To support financial institutions in decarbonising their agriculture portfolios, the Banking for Impact on Climate in Agriculture<sup>35</sup> initiative was launched at COP26. It develops methodologies, tools, and guidance for assessing and disclosing agricultural emissions, with the aim of creating a global standard aligned with frameworks like the Partnership for Carbon Accounting Financials (PCAF).<sup>36</sup>

Simultaneously, international reporting and disclosure standards such as the Greenhouse Gas Protocol, SBTi, and PCAF are moving toward mandatory sectoral inclusion. To maximise impact, banks should set science-based targets for 2030 and 2050, with additional five-year interim milestones, and disclose planned actions aligned with the Paris Agreement’s 1.5°C goal. Finally, to maintain standards for climate-oriented bonds, the CBI provides independent standards<sup>37</sup> for banks, with the option to certify products.

**More than one-third of assessed Asian banks have set 2050 net-zero targets.**

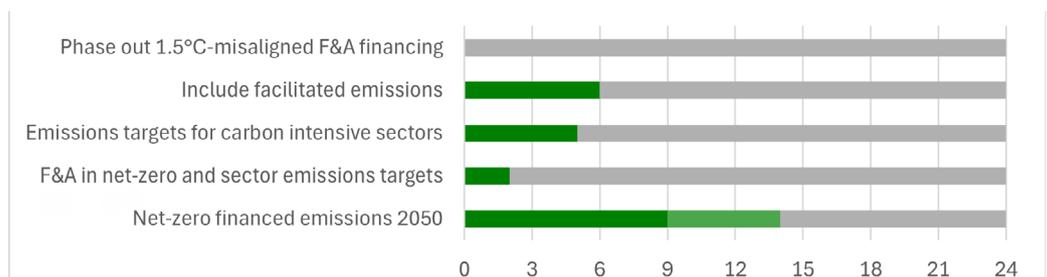
Our assessment examined whether banks committed to achieving net-zero emissions across their financing activities by 2050, while also developing interim targets for the F&A sector in their lending portfolios. We were cognisant that not all the markets have a national 2050 target.

## A. Net-Zero Target and Sectoral Inclusion

In our assessment, nine out of 24 banks have set net-zero targets for financed emissions by 2050. Five others have made net-zero commitments without specifying the 2050 timeline: Bank Mandiri, BNI, Kasikorn, Krung Thai, and State Bank of India.

**No bank in the Philippines or India, except for SBI, has yet announced a net-zero commitment or target. This gap highlights a clear opportunity for banks in those countries to demonstrate leadership and align with global momentum.**

**Figure 5: Sectoral inclusion in bank’s net-zero strategies and financing policies**



**Five banks include F&A in net-zero targets; major opportunity remains.**

While five banks have defined emissions targets for carbon-intensive sectors, only DBS and BNI explicitly include the F&A sector in their net-zero commitments. Given the sector's deep linkages to emissions, deforestation, and biodiversity, there is a major opportunity for more banks to broaden their targets and establish F&A sector-specific decarbonisation pathways.

Encouragingly, six banks in Singapore and Malaysia have gone a step further by incorporating facilitated emissions into their net-zero targets, recognising their significance within F&A systems.

**DBS has committed to net-zero financed emissions by 2050**

and was the first bank in Southeast Asia to publish its Scope 3 targets. In its "Our Path to Net Zero" report,<sup>38</sup> the bank identifies nine key sectors for decarbonisation, including food and agribusiness, with emissions reduction targets set for the other seven (though not F&A as yet). These targets cover both lending and facilitated emissions (Equity Capital Market/Debt Capital Market).

Within the F&A sector, DBS has prioritised strengthening data coverage, recognising that agribusiness supply chains are highly fragmented and complex, with significant variability across producers, processors, and retailers.

As a result, the bank has set data coverage targets in place of direct emissions reduction goals, with the aim of establishing targets once data quality and availability improve and sectoral reference pathways mature.

The bank's focus is on ensuring that an increasing share of large corporate clients including animal protein and feed producers report both their emissions and physical output data. From a 2020 baseline of 31%, DBS aims to raise this coverage to at least 66% by 2030.

While investors encourage corporate emissions reporting (Scopes 1, 2, and 3), they also value clear emission targets set by the finance sector. There are sub-regional emission intensity data sets (provided by the FAO GLEAM 3.0 database) that, when multiplied by animal protein production or sourcing volumes, could serve as proxy interim figures for companies, and thereby contribute to bank baselines and targets for this sector.

**No bank has committed to 1.5°C-aligned F&A financing phaseouts; first movers could lead.**

Although no bank in the six assessed markets has yet committed to phasing out financing of companies or projects misaligned with a 1.5°C pathway for the F&A sector, this gap presents a powerful opportunity for first movers to distinguish themselves.

By taking decisive action in this space, banks can strengthen resilience, attract sustainable finance flows, and enhance credibility with global investors seeking climate-aligned portfolios, while also reaping reputational benefits.

**SBI leads in India with 2030 carbon neutrality and 2055 net-zero goals.**

**15 of 24 Asian banks report, and five reference TCFD, showing progress.**

In India, while most banks have yet to announce net-zero targets, State Bank of India has taken a promising step forward, pledging to achieve net-zero emissions across Scope 1, 2, and 3 by 2055, with an interim goal of reaching net-zero for Scope 1 and 2 emissions by 2030. Its climate finance initiatives are aligned with a broader vision to achieve carbon neutrality in internal operations by 2030 and to transition to net-zero financed emissions by 2055.<sup>39</sup> This move sets the stage for other Indian banks to follow suit, progress beyond carbon neutrality, and realise opportunities in sustainable lending.

### B. Climate Risk Assessment and Management

Banks in the region are making steady progress in aligning with the TCFD, with 15 of the 24 already reporting against its recommendations and an additional five referencing them in disclosures. This reflects a broader awareness of climate risks and marks a promising step toward improving sectoral resilience.

**Figure 6: TCFD alignment and disclosures of Asian banks**

Country	Forward-Looking	Nascent
SG	DBS, UOB, OCBC	-
MY	CIMB, HLB	Maybank
ID	Mandiri, BRI	BCA
PH	BDO, BPI	-
TH	BBL, Kasikorn, Krung Thai, SCB	Ayudhya
IN	ICICI	SBI, HDFC, PNB

Bank Mandiri has adopted the TCFD framework for climate risk management, supported by a group-wide strategy on measurement, disclosure, target setting, and scenario analysis. The Indonesian lender has committed to achieve net-zero emissions by 2060 at the latest and is developing an integrated transition plan to address climate-related impacts and business risks.

Using Network for Greening the Financial System pathways and the Global Change Assessment Model, it conducts scenario modelling and sensitivity analyses covering both physical risks (such as floods and forest fires) and transition risks (such as carbon taxes, energy price shifts, and green technology adoption).

Its climate scenario analysis spans eight sectors representing 54.1% of its financing portfolio, including agriculture, forestry, and fisheries. Notably, Bank Mandiri publishes transition risk analysis results specifically for the agriculture sector, offering an early benchmark for sector-focused disclosure.<sup>40</sup>

**Figure 7: Sectoral climate risk assessment and disclosures**



**No Asian bank yet publishes F&A transition risk; significant opportunity remains.**

However, current progress on sector-specific climate risk assessments for F&A remains limited, with no bank yet publishing a transition risk matrix for the sector. This gap represents a significant opportunity. Considering that agriculture, forestry, and fisheries may account for a significant portion of Asian banks' F&A financing portfolio, scaling climate risk scenario analysis in this sector can strengthen financial stability, safeguard agricultural value chains, and unlock new pathways for sustainable financing.

Eight of the assessed banks, including all three in Singapore and most in Thailand and Malaysia, reported conducting transition risk scenario analysis for the F&A sector, yet did not disclose the results. Bank Mandiri stands out as a relative leader, having not only conducted such an analysis but also disclosed the outcomes. While the scope is limited, it sets a positive precedent for regional peers in terms of enhancing disclosures.

**Eight banks conduct F&A transition risk analysis, but only Bank Mandiri discloses results.**

For physical risk scenario analysis, eight banks reported undertaking exercises but withheld details. The rest – all the assessed banks from the Philippines, Thailand, and India (except ICICI Bank) – did not disclose any information on conducting a scenario analysis of physical risks in the F&A sector.

ICICI stands out as a promising example of good practice. It has conducted climate risk scenario analysis to quantify climate-related financial risks and assess their potential impact on key financial indicators such as capital and provisions. The bank's approach spans both physical risks (impact on large corporates and retail/agriculture lending portfolios) and transition risks (impact on top corporate exposures).

Through this process, ICICI identifies vulnerable exposures, grades borrower resilience to climate action, and integrates the findings into its financial planning under the Internal Capital Adequacy Assessment Process (ICAAP). Stress testing, a core element of ICAAP, provides insights into the effects of extreme but plausible scenarios on the bank's risk profile and capital position. However, while the methodology is forward-looking, the bank did not disclose the results publicly.

**Banks' limited use and disclosure of scenario analysis is concerning.**

Given the F&A sector's high vulnerability to physical risks (extreme weather, disasters, crop and livestock stress, disease spread, water scarcity) and transition risks (policy shifts, changing market demands, emissions constraints, carbon taxes etc), banks' limited use and disclosure of scenario analysis is concerning.

There is an opportunity to be grasped. By conducting and disclosing sector-specific climate risk assessments, banks can build resilience, protect portfolios from stranded assets, and position themselves as leaders in driving the transition of Asia's food systems. Robust scenario analysis in a region heavily reliant on agriculture offers both a risk-management safeguard and a pathway to strategic decision-making and capital allocation for sustainable growth.

## What Leading Peers Are Doing

Standard Chartered has committed to net zero Scope 1, 2, and financed emissions by 2050, with interim targets for high-emitting sectors and facilitated emissions included.

For its agriculture portfolio, the bank has set both a baseline and 2030 financed emissions reduction targets, aligned with well below 2°C and 1.5°C pathways and covering Scope 1, 2, and 3 emissions. The 2030 targets are based on a 2023 base year and reflect a science-based, portfolio-level approach to transition planning in F&A investments.<sup>41</sup>

Rabobank has taken an initial step by signalling its intent to engage clients that do not yet have a 1.5°C-aligned climate strategy but are open to dialogue on alignment. In its climate policy,<sup>42</sup> the bank states:

“Rabobank engages with clients and business partners that meet or are working towards:

- having a plan that captures actions to become 1.5°C-aligned;
- capturing and sharing their actual GHG emissions data or alternative information about their progress to become 1.5°C-aligned; and
- if the client or business partner is required by law or if they are larger clients or business partners in high-emitting sectors: having science-based carbon emissions reduction targets for 2030 and beyond which are 1.5°C-aligned.”

### Recommendations

- Set clear net-zero targets, including facilitated emissions and F&A decarbonisation pathways.
- Detail and scale up climate scenario analyses for physical and transition risks and disclose outcomes.
- Encourage clients to align project activities with a 1.5°C pathway, expanding financing for those demonstrating alignment. Maintain open dialogue with clients while gradually reducing financing for activities that remain misaligned.

# Nature & Deforestation

**Alignment with Kunming-Montreal GBF is critical to mitigate biodiversity and nature risks.**

The Global Forest Coalition, in its report “The State of Industrial Livestock Farming in Asia”, notes that countries in Asia are experiencing increased deforestation as land is cleared to meet rising protein demand. At the same time, growing imports of animal feed and animal protein products are contributing to deforestation and water scarcity in other regions, such as South America.<sup>43</sup>

These activities also contribute to a range of climate and nature risks, including emissions from animals, feed, and waste, biodiversity and habitat loss, altered nutrient flows, water scarcity and contamination, and the overexploitation of fertilisers, pesticides, and antibiotics to boost productivity.<sup>44</sup>

**Banks drive deforestation risks by financing commodity-linked agrifood supply chains.**

Banks influence biodiversity and land use through financing and financial services linked to commodities such as soy for animal feed, palm, and protein (especially beef), which together account for the majority of deforestation in the agrifood sector. This includes instruments such as term loans, trade finance, revolving credit facilities, bond and fund structuring, capital raising, and project finance. By financing producers, traders and other off-takers who, in turn, finance these commodity producers, banks are also exposed to deforestation risks.<sup>45</sup>

A 2023 World Bank study suggests that nearly 50% of banking activities in emerging markets are directly dependent on nature, making them highly exposed to financial risks.<sup>46</sup> Banks are increasingly recognising their impact, influence, and risks associated with nature loss and land-use impacts. These risks include direct impacts (such as supply chain disruptions), transition risks (such as new regulations or shifts in consumer preferences), and reputational risks from association with environmentally harmful activities, all of which translate to financial risks.<sup>47</sup>

**Banks must reflect the Global Biodiversity Framework, by actively supporting the reduction of deforestation and ecosystem degradation.**

This is at odds with the Kunming-Montreal GBF<sup>48</sup> which sets ambitious targets for halting and reversing biodiversity loss by 2030, including reducing deforestation and ecosystem degradation. Regulatory initiatives such as the European Union Deforestation Regulation (EUDR)<sup>49</sup> are also designed to align with GBF goals. Failure to address deforestation and nature-related risks can lead to market exclusion, credit losses, and legal liabilities for both companies and their financiers. Opportunities exist for banks to avoid deforestation and incentivise deforestation-free finance.

The Singapore Sustainable Finance Association (SSFA), in its “Financing Our Natural Capital: A Practical Guide for FIs Getting Started on Nature Financing” paper, recognises agriculture has major economic importance in the region, alongside others with significant impacts and dependencies on nature.<sup>50</sup> For financial institutions, the first step is to understand how these risks are material to their portfolios. This means considering hyper-local risks, the practices of

companies they finance, while also identifying opportunities for nature-protective investment.

### A. Commitment to Biodiversity Goals

Despite the critical role of the financial sector in halting and reversing nature loss, only three of the assessed banks – DBS, UOB, and CIMB – have made any public commitments in support of the Kunming-Montreal GBF. While these commitments currently lack full scope and specificity, with no clear targets, sectoral strategies, or timelines, they signal a growing recognition of the opportunity for banks to lead on nature-positive finance.

CIMB for instance, frames its approach as follows:

“Sustainable Finance is governed by two main principles: Maximising Positive Impact and Minimising Harm, thus: Our Goal: Encourage, engage and enable our clients while steering our operations towards preventing, mitigating, and reversing nature loss.”

The bank began developing a Deforestation and Biodiversity Risk Assessment process in 2023 as part of its due diligence to assess biodiversity risk in the projects and non-retail clients that it finances across key markets.

CIMB’s Palm Oil Sector Guide applies to clients involved in palm plantations, as well as manufacture and trading of palm and its products. For clients, it has a “No Deforestation, No Peat, and No Exploitation policy (covering own operations and fresh fruit bunches suppliers)”. Noting the bank’s majority material risk associated with palm, there is scope for improvement by inclusion of other high-risk commodities such as animal feed soy, timber, coffee, and cocoa, which are often imported.

A joint report by DBS, OCBC, and UOB examined how nature-related risks and dependencies translate into credit risk, focusing on loan portfolios with a deep dive into the F&A sector, which contributes 11% of Southeast Asia’s GDP and is highly vulnerable to climate and nature-related disruptions. The palm oil industry was used as a pilot case study, with findings showing that upstream players are generally more exposed to nature-related risks than integrated players.<sup>51</sup>

Notably, none of the banks explicitly included the broader F&A sector within their biodiversity or nature commitments, despite its significant footprint on land-use change, deforestation, and ecosystem degradation. This omission underscores a critical gap in current nature-aligned finance strategies in Asia and highlights a clear opportunity for banks to strengthen sector-specific commitments and drive measurable impact.

**Figure 8: Commitments and disclosures on Nature and Deforestation**



**Only three banks (DBS, UOB, and CIMB) have made public biodiversity commitments.**

**DBS, OCBC, and UOB report upstream F&A players face higher nature-related risks.**

**No Asian bank assessed explicitly includes F&A in biodiversity commitments.**

The TNFD53 provides a framework for banks to identify, assess, and manage nature-related risks, dependencies, impacts, and opportunities. It covers both physical and transition risks, enabling banks to better understand and mitigate financial risks in livestock and other high-impact portfolios.

CIMB, in its "Banking on Nature: Advancing our Nature-Linked Journey" report, mentions completing "a TNFD-aligned impact and dependency assessment for these sectors, using tools such as ENCORE, the WWF Biodiversity Risk Filter, and Global Forest Watch" for four material sectors in Malaysia.

**While no banks have yet demonstrated full alignment or reporting with the TNFD framework, CIMB has taken initial steps by starting to report against the TNFD recommendations. These disclosures, though currently limited to a few sectors and select recommendations, mark an important first move toward broader adoption.**

UOB also references the TNFD, noting in its 2024 reporting that it has committed to be an early adopter of TNFD standards. Aligning with the Global Biodiversity Framework, UOB reported that it "seeks to strengthen our capacity in understanding and managing the nature risks that are material to our business; support our customers to make decisions that are similarly aligned; finance the scaling up of nature-related technologies and investments; and advocate nature's importance in the world."

**Only four banks assessed have policies to avoid financing deforestation opportunity to scale.**

## **B. Deforestation and Land-Use Policies**

We examined banks' policies on deforestation and land-use change, which guide responsible lending and financing. Such policies aim to avoid or reduce harm to nature, distinct from nature-positive actions that seek to halt loss and restore nature. This focus is critical, as deforestation and land-use change are primary drivers of biodiversity loss, particularly across commodity supply chains in the F&A sector.

We found that only a handful of banks have taken initial steps. DBS, Maybank, Mandiri, and Kasikorn have announced policies to avoid financing companies and projects involved in deforestation and other high-risk land-use changes across key commodities such as cattle, oil palm, soy, cocoa, rubber, coffee, and pulp and paper by 2030.

While progress is still limited and the related social impacts (particularly on indigenous communities) should also be acknowledged, these early actions demonstrate growing awareness and provide a wide foundation for other banks to follow suit, while also presenting a clear opportunity to scale nature-protective finance across the region.

**DBS, in its “Our Approach to Responsible Financing” report,<sup>53</sup>** publishes its guiding criteria for the Animal Husbandry and Feed sector that applies to upstream customers in poultry (chickens, ducks, turkey), cattle, pigs, rabbits, and other animals (such as buffalo, oxen etc.); poultry hatcheries management; dairy; production of animal feed; midstream customers in processing and packaging operations; and vertically integrated entities involved in multiple aspects of the value chain. It states:

“We will not knowingly finance activities or projects we know to be in deliberate violation of local or national laws, or operations which:

- Contribute to deforestation. Deforestation can be determined by an assessment to establish High Conservation Value (HCV) and/or High Carbon Stock (HCS) forests. This covers biofuel crop production, which generates animal feed as a by-product, and production of soy which is used due to its high protein content; or
- Entail significant expansion or greenfield development without conducting an environmental and social impact assessment.”

Similarly, Bank Mandiri has a Credit Policy for Priority Sector: Agriculture<sup>54</sup> that excludes financing of activities involved in deforestation and other land-use changes and has established binding credit policies for customers in this sector, with provisions requiring commitment to No Deforestation, No Peat, and No Exploitation, covering land clearance and development, conservation of HCV and/or HCS areas, and peatland.

**Figure 9: Deforestation and Land-Use Policies**

Country	Forward-looking			Nascent
SG	DBS	UOB, OCBC	-	-
MY	Maybank	CIMB	-	HLB
ID	Mandiri	BCA, BNI	-	BRI
PH	-	-	BDO	BPI, MBT
TH	Kasikorn	-	BBL	Ayudhya, Krung Thai, SCB
IN	-	-	-	IB, CB, SBI, HDFC, PNB, ICICI

**Five banks have partial deforestation policies; a few others promote avoidance but lack exclusions.**

Five banks have announced exclusion policies aimed at deforestation and land-use change, but these policies do not comprehensively cover all high-risk commodities. Among the others, BDO and Bangkok Bank promote financing activities that avoid deforestation but fall short of establishing clear exclusionary practices.

BDO, the only Philippine bank with such policy positioning, notes: “The Bank is committed to address deforestation and contribute to the preservation and sustainable management of the Philippines’ Forest

**Indian banks lack deforestation policies despite significant agriculture lending.**

resources. In terms of its lending and investment activities, BDO has a low risk appetite regarding activities that may involve deforestation and will exercise caution and employ strict criteria to evaluate potential clients and investment opportunities by actively screening borrowers and projects to minimise exposure to deforestation practices.”

In contrast, assessed banks in India lack any formal commitment or policy, highlighting a clear opportunity to integrate deforestation, land-use change, and biodiversity-related risks into their frameworks. This is particularly critical given that 40% of their lending is directed to priority sectors, with 18% allocated to agriculture, underscoring the potential impact of nature-aligned finance strategies. While much animal feed soy is grown domestically, Indian companies and thus banks remain at risk of soy, palm and other high-risk commodity exposure to deforestation unless they set and implement deforestation exclusion policies.

To support such efforts, frameworks like the CBI’s certification standards for Agri-Food Deforestation and Conversion-Free Sourcing criteria offer procurement guidelines to align commodity sourcing with a 1.5°C transition in the land-use sector.

**CBI’s DCF standards guide banks to finance deforestation-free, traceable agri-food supply chains.**

The criteria enable agrifood companies, including traders, distributors, and retailers to demonstrate deforestation- and ecosystem conversion-free supply chains, in line with policies like the EU Deforestation-Free Regulation and frameworks such as the Accountability Framework Initiative.<sup>55</sup>

Incorporating such standards into lending criteria can ensure that bank financing supports deforestation-free activities. The criteria also promote traceability for commodities from “High-Risk Origins”. This extends to animal products such as beef, chicken, and farmed seafood, whose production involves embedded high-risk commodities like soy, palm oil and related derivatives used in animal feed, and other feed crops.

### **C. Interconnected and/or Nature-Based Solutions in Finance**

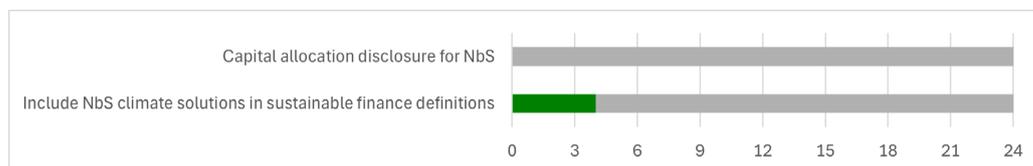
Nature-based solutions (NbS) present a strong opportunity to mitigate deforestation and land-use change from intensive agriculture, while delivering long-term benefits including GHG reduction, carbon sequestration, enhanced soil health, improved biodiversity, and increased water availability and quality.

Many interventions also provide immediate net returns via reduced input costs and increased yields. Associated economies of scale and future penalties associated with regulatory and compliance shifts further enhance the net returns from shifting to NbS. Despite this potential, estimates suggest only 4.3% of global climate finance in 2019–2020 focused on agri-food system transformation, with just 0.1% allocated to intensive livestock farming. Meeting the 1.5°C goal will require approximately USD542 billion annually in nature-based interventions.<sup>56</sup>

**Four banks include NbS in F&A finance policies, but none set targets.**

Five of the assessed banks – DBS, CIMB, Mandiri, Maybank, and BDO – have published sector-specific sustainable, green, or transition financing policies for the F&A sector. All except Maybank explicitly include NbS in their frameworks, but none disclose the level of sectoral financing or set active targets for scaling nature-based climate solutions.

**Figure 10: Recognition of Nature-Based Climate Solutions in Bank’s Sustainable Finance Frameworks and Disclosures**



DBS’s Sustainable Finance and Taxonomy Framework version 3.0<sup>57</sup> highlights Low-Carbon Farming practices eligible for sustainable financing proceeds. These include regenerative agriculture, no-till farming, cover cropping, agroforestry, windbreaks, organic farming, precision agriculture, crop rotation, and multi-cropping, while explicitly excluding operations on land converted from high-carbon stock and the manufacture, supply, or use of inorganic and synthetic pesticides, fertilisers, and herbicides.

Similarly, Bank Mandiri’s Sustainable Finance Framework<sup>58</sup> lists eligible activities under Sustainable Agriculture and Farming. These include development and improvement of animal waste management systems, biogas production, organic fertiliser from cattle manure, organic farming, livestock production, and integrated agriculture-forestry activities. Mandiri also excludes dry agriculture practices in peatland areas and the purchase of fossil fuel-powered agricultural equipment.

Nature-based climate solutions (NbCS) still represent a powerful tool for banks to generate co-benefits for climate, biodiversity, and communities. By defining NbCS and integrating them into financial instruments and services, banks can capture a first-mover advantage and signal leadership to regulators, investors, and civil society.

An analysis by FAIRR<sup>59</sup> demonstrates that nature-based interventions deliver greater long-term climate and biodiversity benefits than technology-based solutions, which risk perpetuating intensive production systems. Greater engagement and targeted capital are needed to scale practices such as crop rotations, silvopasture, natural feed additives and perhaps more Asia-centric practices, opportunities where banks can play a critical role through tailored financing.

### What Leading Peers Are Doing

Rabobank has committed to align with the Global Biodiversity Framework (GBF) 2030 targets, with a clear ambition to integrate nature into all core banking processes and governance. Uniquely, the bank explicitly includes the F&A sector, mentioning that commodities, animal protein, dairy and fresh produce account for more than 60% of

**FAIRR analysis shows nature-based interventions deliver greater benefits than technology-based solutions.**

its F&A portfolio at the primary production level within the scope of its nature strategy.

The bank's "Nature Vision and Approach" sets an objective: "Leveraging our banking activities, we aim to progressively adapt our portfolio and policies toward alignment with GBF. Our main priorities stemming from GBF are:

- Halting deforestation and land conversion
- Avoiding impacts in protected and key biodiversity areas
- Minimising pollution and impacts on threatened species
- Restoring degraded ecosystems
- Steering on good agricultural practices, reducing food loss & waste and protein diversification"<sup>60</sup>

Rabobank publishes nature-related risk disclosure in its annual reports, providing a TNFD reference table that maps existing policies to TNFD recommendations, offering a model for sectoral integration and nature-positive finance.

### **Recommendations**

- Exclude deforestation and related social impacts as part of a responsible lending framework, as well as sector-specific policies
- Define and monitor pathways for portfolio clients on time-based commitments towards deforestation-free for all high-risk commodities, and nature-protective financing in high-impact sectors such as F&A, especially feed and intensive animal production sectors.
- Explore exclusionary policies for high-risk commodities and embed traceability criteria, while simultaneously scaling incentives for sustainable sourcing and alternatives.
- Include green finance products for scaling plant-proteins and NbS interventions to deliver climate, biodiversity, water, public health and community co-benefits.

# Animal Welfare

**Poor animal welfare in intensive farming drives disease, resistance, and food safety risks.**

While discussions on financial exposure to climate and nature-related risks in intensive agriculture are increasing, the critical issue of animal welfare in business-as-usual agriculture models is often overlooked. Intensive farming, while appearing to offer cost-efficient mass food production, externalises significant environmental, human health, ethical, and moral implications. For banks, weak compliance, policies or portfolios that involve intensive farming with poor welfare practices, pose reputational, operational, and financial risks. These include consumer backlash, investor divestment, increased credit risks, and impaired loans.

Animals raised in caged, overcrowded, barren, unsanitary or highly stressful conditions face heightened injury, infection and disease risks, creating ideal conditions for pathogen emergence and/or excessive antibiotic use and resistance. Zoonotic diseases including avian influenza, swine flu, campylobacter and salmonellosis illustrate the potential consequences and costs of poor animal welfare.<sup>61</sup> Cages also exacerbate physical climate risks and can become stranded assets.

Poor welfare practices also create reputational, legal, supply chain and market risks. Products from intensive systems may also face rejection domestically and internationally, leading to loss of market share, or physical climate risks and ultimately stranded assets, along with increased reliance on antibiotics or government subsidies amidst evolving policy regimes.<sup>62</sup>

Poor animal welfare is a silent cost to business, but not all welfare improvements cost more. Many actually enhance production, food safety, and quality. Sub-standard conditions not only compromise animal wellbeing but also drive systemic dependence on antibiotics, directly fuelling antimicrobial resistance, and escalate the financial and public health risks explored in the following section. See our Business Case on Farm Animal Welfare for economic examples.

**Rising consumer demand drives adoption of minimum animal welfare standards.**

While animal welfare regulations are yet to catch up, academic surveys demonstrate that people in Asia are in many cases just as concerned about farm animal welfare as in western nations, and just as interested in higher-welfare products such as cage-free eggs.<sup>63</sup> As consumer preferences shift and industry frameworks evolve, companies and banks are gradually committing to minimum welfare standards.

BNP Paribas bank, for example, aims to align with the standards laid down by the Farms Initiative.<sup>64</sup> We see growing markets for cage-free eggs across Southeast Asia and India, along with independent certification, and dairy farm certification in India and emerging business demand for truly cage-free pork in Thailand, China and beyond. Banks have an obligation and opportunity to proactively support higher-welfare systems, turning ethical and sustainability considerations into business value.

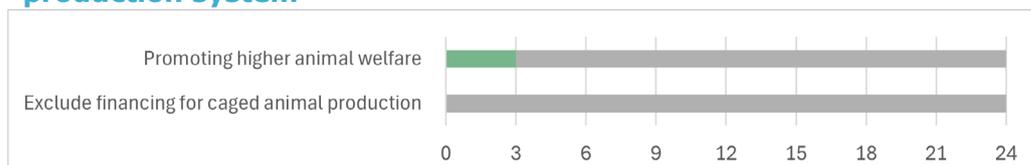
**No assessed Asian bank currently excludes low-welfare animal production.**

## A. Animal Welfare Policies and Exclusions

While none of the banks in our assessment currently have formal policies excluding or targeting low-welfare animal production, three have begun to recognise the value of incorporating animal welfare as part of their responsible finance frameworks.

DBS, UOB, and Kasikorn reference animal welfare principles, briefly mentioning the IFC Good Practice Note and/or the Five Freedoms. However, none demonstrated specific direction, exclusions or incentives, nor alignment with international measurable minimum standards like FARMS (Farm Animal Responsible Minimum Standards). Aligning with species-specific standards or prioritising the exclusion of cage-systems in future finance will send a clear policy signal, enabling banks to incentivise higher-welfare production and shift towards more responsible lending.

**Figure 11: Animal welfare policies promoting higher-welfare production system**



**Three banks referenced animal welfare principles in finance frameworks.**

Kasikorn’s ESG credit policy for Livestock and Abattoir has sectoral guidelines and encourages “consideration of animal welfare, with acceptable standards of animal husbandry, disease prevention, labour and waste management, and community hygiene; farms must be certified with Good Agricultural Practices (GAP)”.<sup>65</sup> However, we note that GAP certification provides only basic coverage of animal welfare, with standards that continue to allow caged systems.

Similarly, UOB briefly references animal welfare in its Responsible Financing Sector Policy for Agriculture (excluding palm oil),<sup>66</sup> noting the importance of the Five Freedoms. However, its commitment remains high-level and lacks detail on implementation. Without specific criteria or guidance on acceptable production systems, the bank remains exposed to the risks associated with financing of low-welfare practices, including intensive and caged systems.

We welcome the recognition of animal welfare within these policies. At the same time, it is important to note that they reflect acknowledgement rather than the establishment of clear, measurable animal welfare policies or minimum standards.

Banks are uniquely positioned to influence F&A corporate behaviour and have been benchmarked annually on focus areas such as farm animal welfare, responsible antibiotic use, plant protein diversification, and related sustainable or green finance.<sup>67</sup> There remains an opportunity for Asian banks to establish clear, directional policy and refer to measurable minimum standards or requirements, guiding clients on farm animal welfare as part of new or existing capital expenditure plans (*see next section*).

**No bank has publicly linked finance to higher-welfare animal production.**

## Integration into Sustainable Finance

While there is a DBS precedent for SME cage-free farming,<sup>68</sup> our assessment found that no bank has yet systemically integrated higher-welfare animal production into sustainable or transition finance frameworks, nor disclosed capital allocations linked to animal welfare outcomes.

This highlights a nascent but promising area where banks can lead. Proactively incorporating higher animal welfare into lending policies and sustainability-linked instruments can position banks at the forefront of food system transformation, capturing first-mover advantages while supporting ethical, sustainable, and resilient protein supply chains.

## What Leading Peers Are Doing

Standard Chartered has published a clear and comprehensive policy to exclude financing for caged animal production systems, including layer cages for poultry and gestation/farrowing crates for sows. It also requires clients involved in animal transport or slaughter to implement FARMS Initiative Responsible Minimum Standards and actively encourages alignment with higher welfare practices, including the reduction of prophylactic antibiotic use.

### **Standard Chartered's Animal Welfare Position Statement criteria include:**

- "We will not provide financial services directly towards Production systems using layer cages for poultry or caged rearing systems for livestock, including gestation and farrowing crates for sows – applicable to producers."

In addition, it also states: "We will only provide financial services to clients who:

- Follow the IFC Good Practice Note on Improving Animal Welfare in Livestock Operations, including the Five Freedoms of animal welfare – applicable to producers.
- Transport or slaughter livestock and poultry where the Welfare Risks Transport and Slaughter criteria of the FARMS Initiative Responsible Minimum Standards are implemented – applicable to producers.

We encourage clients to:

- Implement the FARMS Initiative Responsible Minimum Standards.
- Refrain from prophylactic or routine use of antibiotics, unless no alternative is available."<sup>69</sup>

## Recommendations

- Integrate credible animal welfare frameworks, ideally measurable standards provided by the FARMS Initiative, into lending and investment policies for the animal production sector.
- Encourage/incentivise clients, to adopt higher-welfare systems, such as cage-free production, linking preferential financing or sustainability-linked instruments to measurable welfare outcomes or independent animal welfare certification.
- Include higher-welfare animal production systems in sector-specific sustainable, green, or transition finance frameworks, linking capital allocation to measurable welfare outcomes.

# Responsible Antibiotic Use

**Excessive antibiotic use in livestock drives AMR and food-safety risks.**

Antibiotics are essential for treating bacterial infections thereby preserving animal health. However, the widespread and excessive use of antibiotics in healthy farm animals for growth promotion and for routine prophylaxis has significantly contributed to antimicrobial resistance (AMR), leading to fatal human outcomes and raising serious animal and public health, and economic concerns.<sup>70</sup>

Beyond AMR, the presence of antibiotic residues in animal protein and the release of unmetabolised antibiotics into the environment through animal waste are under increasing scrutiny.<sup>71</sup> Practices such as the use of caged, barren housing contribute to injuries and fighting, raising the risk of bacterial infections. Conversely, higher-welfare systems reduce stress, strengthen animal health, and reduce antibiotic dependence, making welfare improvements and responsible antibiotic use mutually reinforcing levers for risk reduction.<sup>72</sup> This has been shown in a summary of examples in ARE's business case on Responsible Antibiotic Use.

**Stronger animal welfare reduces stress and infections, lowering antibiotic use.**

We also acknowledge that while responsible antibiotic use in farming can support animal welfare through treatment of sick animals, overly restrictive practices such as those in certain organic systems may limit necessary treatments, inadvertently compromising welfare.<sup>73</sup> The overarching premise is actually simple; just treat sick animals, or those technically diagnosed as infected, with suitable antibiotics.

Irresponsible farming and antibiotic use practices expose companies and projects to production, regulatory, compliance, and market risks, including potential loss of access to key export destinations. India whose regulations on this topic lag behind most other Asian markets, has experienced costly rejections, and reputational damage, especially in the trade of shrimp to the US, but other markets also face increasing trade risk also with poultry and dairy.<sup>74</sup> The European Union, a major market for many Asian exporters, has introduced stringent regulations on antibiotic usage in food-producing animals (including aquaculture) or products for imports. These include a ban on the use of antibiotics for growth promotion in food-producing animals, and restrictions on certain antibiotics reserved for human medicine.

**Irresponsible antibiotic use risks regulatory breaches, market loss, and trade disruption.**

These rules, which apply to imports starting September 2026, require exporters to comply and provide official certification.<sup>75</sup> Compliance with these standards is critical for Asian exporters to maintain market access and avoid costly trade disruptions, while any Europe-based operations must additionally reduce mass prophylactic antibiotic use.

As financiers of companies and projects in the animal protein value chain, banks face both reputational and financial risks. However, they also have a critical role to play in promoting and incentivising responsible antibiotic use among their clients. By doing so, they can strengthen supply chain resilience, reduce credit risk, and support long-term portfolio stability.

**Only Singapore's UOB promotes responsible antibiotic financing; no explicit exclusions exist.**

## Encouraging Responsible Antibiotic Use

We assessed the banks for the presence and level of policies that encourage responsible practices by prohibiting use of antibiotics for growth promotion, reducing or avoiding routine prophylaxis, and strengthening animal welfare.

From our selected banks, only UOB has publicly announced a policy that encourages financing of activities with responsible antibiotic usage. However, it does not explicitly exclude usage antibiotics for growth promotion and routine prophylaxis, deferring to irregular or even possibly absent legislation as a minimum.

UOB's agriculture (excluding palm oil) sector policy states:

"We recommend that our borrowers:

- put in place policies to safeguard the Five Freedoms of Animal Welfare;
- commit to a responsible usage of hormones and antibiotics on animals and aquaculture, minimally complying with all applicable laws and regulations;
- seek internationally-recognised certifications with regards to quality production and responsible farming practices;"

A clear, safeguarding policy presents a strategic opportunity for banks to influence corporates and direct finance towards practices that promote both responsible antibiotic use and animal welfare improvements. Complying with emerging global trade and regulatory trends thereby reduces systemic risk, safeguards public health, and enhances long-term portfolio resilience.

## What Leading Peers Are Doing

Standard Chartered Bank encourages clients to implement the FARMS Initiative Responsible Minimum Standards.<sup>76</sup> In its Agribusiness position statement, the bank states:

"We encourage clients to:

- Implement the FARMS Initiative Responsible Minimum Standards.
- Refrain from prophylactic or routine use of antibiotics, unless no alternative is available."

This demonstrates how integrated approaches, excluding caged systems while curbing non-therapeutic antibiotic use, create clearer incentives and measurable outcomes for both animal welfare and AMR risk reduction.

Similarly, Rabobank has a policy excluding antibiotics as growth promoters and discourages prophylactic usage. The bank also notes that it can request supporting information from accepted clients and business partners on their controls and progress in the upstream value chain, demonstrating that the use of antibiotics as growth promoters is being phased out, and antibiotics are administered only under the direction of a veterinary surgeon, following diagnostic testing.<sup>77</sup>

## Recommendations

- Establish a clear policy on responsible antibiotic use in lending and sustainable finance frameworks which focus on treating sick animals, prohibit growth-promoting antibiotic use and encourages clients to adopt practices that phase out or reduce routine prophylactic use while strengthening animal welfare.
- Integrate responsible antibiotic use principles into sustainable, green, or transition finance, with measurable indicators and outcomes.

# Plant Proteins

**Plant-based proteins significantly reduce environmental impacts versus animal-based systems.**

**Plant and alternative proteins are a key lever for a low-carbon, sustainable transition, impacting banks' credit, investment, reputational risk.**

**Diversifying toward plant-based proteins aligns with EAT-Lancet sustainable diet guidelines.**

According to the UN's World Population Prospects 2024, the global population is projected to grow from 8.2 billion in 2024 to a peak of around 10.3 billion in the mid-2080s, before stabilising at about 10.2 billion by 2100.<sup>78</sup> Ensuring sustainable food systems, particularly adequate sources of protein, will be essential to meet this demand.

Traditional animal-based protein sources are inherently unsustainable; this food system has already breached six of the nine planetary boundaries according to EAT-Lancet's landmark 2025 publication.<sup>79</sup> They carry substantial environmental costs, including high greenhouse gas emissions, land-use change, deforestation, soil and water pollution, and intensive freshwater consumption.<sup>80</sup> These impacts are further compounded by hidden public health risks and food safety concerns, driven by practices such as the unprecedented use of antibiotics and poor animal welfare standards, as well as rapidly rising non-communicable diseases linked to overconsumption, even in Asia.

Global reports, including from the World Bank, highlight the need to reduce animal-based food production and transition toward plant-based, low-carbon agriculture. Livestock-related reductions in emissions are not usually categorised as "low-carbon", and companies that claim they are risk allegations of, and potentially fines for, greenwashing. ARE in alignment with the CBI, Good Food Institute, and other science-based organisations, applies the term "low-carbon" primarily to plant proteins. Introducing full-cost accounting for animal proteins, reflecting their true environmental impact, can make low-emission alternatives more competitive.

GFI's "Comparative life cycle assessment of plant- and animal-based meats"<sup>81</sup> shows commercial plant proteins deliver equivalent protein while reducing environmental pressures by up to 89%. Compared with animal protein systems, plant-based production uses 79% less land, 95% less water, and causes 93% less marine eutrophication, while avoiding emissions from enteric fermentation and manure management. ARE's Charting Asia's Protein Transition also models the minimum plant and other novel proteins necessary, as part of the protein mix, for Asia's 10 largest markets by 2060.

For now, diversifying protein production towards plant-based meat and dairy, and mainstreaming plant-based foods,<sup>82</sup> aligns closely with the EAT Lancet Commission recommendations for a sustainable and healthy planetary diet,<sup>83</sup> and with ARE's investor-backed platform, which identifies plant-proteins as a key lever to feed more with less, promoting rebalancing the animal and sustainable proteins for a sustainable food future. It recommends that companies integrate alternative proteins into their sustainability and business strategies and set targets to drive sales. Blended products (combining meat and plant proteins) are also emerging that may offer cost savings, carbon reduction benefits and have a wider appeal to flexitarians in Asia.

At scale, plant-based proteins can contribute to food security and address systemic sustainability challenges in the protein sector by requiring significantly lower energy, land, and water, reducing pollution, deforestation and greenhouse gas emissions, and public health risks.

This creates a strategic opportunity for banks to finance and scale sustainable plant-based solutions in Asia, mobilising capital towards resilient, low-carbon food systems and capturing value from a rapidly growing industry with a comparably reduced cost differential. By redirecting investments away from some unsustainable animal-based protein supply chains and toward innovative, plant-based solutions, banks can position themselves as catalysts for both sustainability and market transformation.

**Only three banks include plant-based proteins in sustainable finance, without disclosed allocations.**

### **Policy and Definition Inclusion with Capital Transparency**

Currently, only three of the assessed banks – DBS, Maybank, and Krung Thai – include plant-based and possibly alternative proteins within their sustainable/green/transition finance definitions. None have disclosed financing levels specifically allocated to these activities. DBS's Sustainable Finance and Taxonomy Framework<sup>84</sup> mentions "Investments into the production and supply of plant-based and alternative proteins with life cycle GHG emissions lower than meat equivalents and feedstock from certified sources" as an eligible sustainable agriculture project/activity.

Similarly, Krung Thai has included "Future Food" as an industry in its Responsible Lending Policy's inclusion list which are aligned with the ESG goals outlined in the country's strategic plans to develop bio-, circular-, and green economy as reported in its 2023 sustainability report. The absence of plant-based and/or alternative proteins from banks' sustainable finance definitions presents a clear first-mover advantage for lenders to define, disclose, and scale such financing, positioning themselves as leaders in the rapidly growing sustainable protein market.<sup>85</sup>

### **What Leading Peers Are Doing**

Within its Sustainable Finance Framework, Standard Chartered Bank lists eligible activities under agricultural and aquaculture processes that support the alternative protein transition.

This includes the research and development of cultivated meat, as well as plant-based proteins and fermented meat counterparts, provided there is evidence of life cycle GHG emissions being significantly lower than conventional meat, and raw materials are procured from certified sustainable sources.

Banks can begin by deploying financial instruments such as Sustainability-Linked Loans (SLLs) and Sustainability-Linked Bonds (SLBs) or Green Bonds to accelerate investment and scaling of profitable plant protein solutions, which may include blended meat/plant products or hybrid plant/fermented or cultivated products in future.

**CBI's  
Alternative  
Protein Criteria  
guide banks  
to finance  
credible,  
sustainable  
protein  
projects.**

The CBI's Alternative Protein Criteria provide one credible framework to define eligibility, measure impact, and ensure integrity in financing. They cover both production and distribution stages, applicable to projects, assets, and entire entities, and can be integrated into Use-of-Proceeds bonds and sustainability-linked debt.<sup>86</sup> Aligning SLLs and SLBs with these criteria enables banks to incentivise genuine sustainability advancements, safeguard reputational and financial interests, and help develop resilient, future-proof protein supply chains.

### **Recommendations**

- Recognise plant-based or other novel/alternative proteins as eligible activities within green, or transition finance policies.
- Incentivise adoption through SLLs, SLBs, green bonds or other preferential financing to support clients developing low-emission, resource-efficient protein solutions.

# The Way Forward

**Banks ignoring F&A sector risks in Asia face financial, regulatory, and operational exposure.**

This report aims to establish a baseline for Asian banks in policy and product readiness to address the sustainability challenges of protein production and sourcing in F&A systems.

While banks are still early in this journey, this is a pivotal moment. Momentum is growing as global discussions on food, agriculture, climate and nature, public health and food security accelerate, creating a renewed sense of urgency to align financial flows with sustainable nutrition, climate resilience, and biodiversity goals.

The assessment highlights gaps across interconnected risks and opportunities pertaining to climate, deforestation, nature-based solutions, animal welfare, responsible antibiotic use, and plant proteins.

## **Risk and Opportunities**

In Asian economies heavily reliant on food and agriculture, banks that overlook the risks and opportunities of the protein transition may face credit, operational, regulatory, legal, and financial risks, including stranded assets and higher compliance costs.

To address these risks, banks must align their climate policies, governance, and risk management with evolving expectations around the protein transition. This requires setting and refining targets, establishing operational structures, and implementing procedures to help clients navigate emerging risks.

Lending policies play a key role in shaping access to credit for agribusiness. They influence the ability of firms to invest in technologies, equipment, and sustainable practices. When credit policies align with stakeholder expectations, national priorities, bank objectives, and global commitments, they directly affect the agricultural practices being financed.

**Sustainable finance instruments and traceability requirements can drive responsible protein practices.**

Financial instruments tied to environmental KPIs, and sustainability targets can guide borrower behaviour. At the same time, emerging requirements on deforestation and sourcing traceability are increasingly affecting operations across economies in a globalised context. Non-compliance with these requirements may lead to stranded assets and non-performing loans. Meanwhile, borrowers can seek specialised financing instruments and favourable credit policies to integrate innovative and sustainable protein practices.

This creates a clear opportunity for banks. By incentivising sustainable practices and embedding risks across both animal-based and alternative protein systems into risk management and sustainable finance frameworks, banks can reduce exposure to financial risks while supporting the transition to sustainable protein supply chains. They can also capture growth from innovative solutions, such as alternative proteins.

**Asian banks can strengthen responsible lending frameworks and reduce risk, taking best practices from regional and international peers.**

Banks in Asia, which cater to some of the biggest food and agriculture businesses, can take leadership from best practices beyond the region while tailoring strategies to respective economies. The potential for first mover advantages is significant, and the recommendations outlined in this report provide a starting point for shaping strategies that reflect regional and investor priorities.

To rebalance the protein landscape, plant and future alternative or novel proteins have to be scaled. Stimulating these initiatives with Green Finance can incentivise clients. Linking measurable outcomes and KPIs to sustainability-linked finance for responsible animal proteins can demonstrate transparency and leadership to regulators, investors, and civil society.

By aligning strategies with national policies and global frameworks such as the Kunming-Montreal GBF, Science Based Targets for Nature, TCFD, TNFD, and FARMS among others, banks can mitigate financial and reputational risks while capturing emerging growth opportunities. The region's fast-growing food and agri markets offer immense potential for transformative impact, positioning Asia's banks as catalysts for a resilient, sustainable, and just protein transition.

**Indian banks can seize significant opportunity for food-system resilience and decarbonisation by embedding sustainability considerations in lending to this Priority Sector.**

We are cognisant that banks are dealing with a very dynamic, fast moving industry. In India, banks operate under a mandate for Priority Sector Lending, which directs 40% of net bank credit to priority sectors, of which agriculture comprises 18%. This creates a significant opportunity for Indian banks to embed sustainability considerations in their lending practices to shape a more resilient and low-carbon food system.

In Southeast Asia, there is also rapid intensification and vertical integration of producers, changing the balance of smallholder and major conglomerate clients, and producing unique challenges and opportunities for banks.

Our purpose is to support banks in strengthening governance, setting out clear policies, and embedding responsible protein considerations into strategic decision-making frameworks and finance. The examples and recommendations in this report are intended to guide practical action, inspire leadership, and stimulate dialogue that will refine and advance sustainable protein transition in the region.

# Annex

## 1. Performance Linked Sustainable and Green Finance Instruments

**Sustainability-linked loans** (SLLs) provide preferential interest rates when borrowers meet agreed sustainability performance targets (SPTs). Assessed against predefined key performance indicators (KPIs), they may also be used for general corporate purposes.

**Sustainability-linked bonds** (SLBs) similarly vary in their financial or structural terms depending on whether issuers achieve predefined sustainability or ESG objectives, which are measured through KPIs and assessed against SPTs.

In line with 'The Principles' the credibility of the SLB and SLL markets rests on the selection of robust and meaningful key performance indicators (KPIs). To be effective, KPIs must be relevant, core and material to the issuer's business, measurable on a consistent methodological basis, externally verifiable, and benchmarkable. Weak or non-credible KPIs can undermine the integrity of the instruments. The calibration of SPTs for each KPI is equally critical, as it defines the level of ambition the issuer is prepared to commit to and considers realistic.<sup>87</sup>

**Green Loans** require proceeds to be earmarked for eligible projects that substantially contribute to environmental objectives. **Green bonds** similarly channel proceeds exclusively to green projects. However, unlike SLLs and SLBs, they do not incorporate KPIs linked to issuer performance but rely on project-level impact reporting.

**Sustainable Finance products:** Instruments such as SLBs, loans, and contingent facilities (e.g., bonding lines, guarantee lines, or letters of credit) can incentivise borrowers to achieve ambitious, predefined sustainability performance objectives. Climate Bonds reports that three types of instruments have potential to deliver impact at scale: these are Use of Proceeds (UoP) debt, green or sustainability deals, and Sustainability-linked debt.<sup>88</sup>

The International Capital Market Association updated its voluntary Green, Social, Sustainability, and Sustainability-Linked Bond Principles, offering clearer guidance for issuers, investors and underwriters.<sup>89</sup> Similarly, the UNEP Finance Initiative's Principles for Responsible Banking provide banks with practical direction to design financial products and policies that accelerate the global sustainability transition.

## 2. Sustainable Frameworks & Taxonomies

**The ASEAN Taxonomy** serves as a regional guide for member states, providing an overarching framework to guide sustainable finance and support a just transition. It offers two assessment approaches: a "Foundation Framework" and a more detailed "Plus Standard" using technical screening criteria, with Agriculture, Forestry & Fishing as one of the focus sectors.<sup>90</sup>

**The Singapore-Asia Taxonomy**<sup>91</sup> defines the green and transition economy and opportunities, including screening and detailed criteria for the animal production sector. It also guides the allocation of capital to green and transition activities. In parallel, the Monetary Authority of Singapore's (MAS)<sup>92</sup> 2020 Guidelines on Environmental Risk Management requires banks, insurers, and asset managers to integrate climate-related governance, risk management, and disclosures. MAS also progresses regional efforts through its Green Finance Action Plan and transition taxonomy.

**Malaysia** is taking similar steps. In 2024, the country's Securities Commission launched

a National Sustainability Reporting Framework<sup>93</sup> and a principles-based Sustainable and Responsible Investment Taxonomy<sup>94</sup> for the capital market. Like some other Southeast Asian markets, the country's Bursa Malaysia stock exchange operator has phased in climate-related disclosures aligned with International Financing Reporting Standards.<sup>95</sup> The Central Bank (Bank Negara Malaysia) updated its Climate Risk Management and Scenario Analysis (CRMSA) policy<sup>96</sup> to guide financial institutions on climate risk and sustainable finance practices.

**Thailand** has published its sustainable finance taxonomy,<sup>97</sup> which provides classification and essential criteria to guide financial flows towards sustainable activities, with sectoral coverage aiming to expand over time. It mentions animal welfare under 'Do No Significant Harm' which is a small advance.

**Spotlight:**

**"Provide reasonable level of animal welfare, avoid cruel and inhumane practices. Provide the animal with Five Freedoms."**

– "Do No Significant Harm" measures under Livestock-related sub-sector of Thailand Taxonomy

**Indonesia** has just launched its Taxonomy (version 2), which acknowledges livestock production (and rice) as significant contributors to GHG emissions, but misses the opportunity to include sustainable plant-based proteins under sustainable or green finance.

**Vietnam** is in the process of developing a sustainable finance taxonomy. It has issued a National Green Taxonomy<sup>98</sup> that identifies seven key sectors, including Agriculture, Forestry, Fisheries, and Biodiversity. Within this sector, 12 activities have been defined to channel investments towards environmentally sustainable practices.

**India's** regulatory landscape is rapidly advancing sustainable finance. The Securities and Exchange Board of India's (SEBI) 2023 "Business Responsibility and Sustainability Reporting Core" mandates gradual Scope 3 disclosures for India's top 1,000 listed entities.<sup>99</sup> The Reserve Bank of India's 2024 Draft Disclosure Framework on Climate-Related Financial Risks<sup>100</sup> seeks to integrate climate risk into banking through early risk identification and consistent reporting. SEBI has broadened its ESG Debt Securities framework to include Social, Sustainability, and Sustainability-Linked Bonds,<sup>101</sup> complemented by development of India's climate finance taxonomy.<sup>102</sup>

Against the backdrop of these emerging and evolving efforts, ARE's investor-backed platform identifies the following interconnected themes as key engagement priorities; climate and nature, animal welfare, and responsible antibiotic use, complementing more advanced areas such as labour, waste, and water. These priority themes represent material sustainability considerations for the F&A industry, and thus banking sector.

**Spotlight:**

**Uniquely in India, banks operate under a mandate for priority sector lending,<sup>103</sup> which includes specific provisions for the agriculture sector aimed at improving credit flow to small and marginal farmers, allied activities, and agricultural infrastructure. Currently, 40% of net bank credit is mandated as priority sector lending, with agriculture constituting 18% of this target.**

# Table of Assessment Questions

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other		
<b>POLICY</b>		DBS	UOB	OCBC	CIMB	HLB	Maybar	BCA	Mandiri	BRI	BNI	BDO	BPI	MBT	vyudhy	BKB	asikorung	Th	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Iard	Charitabo	Bank
<b>(A) Has the bank announced a policy to commit to net zero emissions by 2050?</b>																												
(1) Has the bank made a commitment to reach net zero for its financed emissions by 2050?	A. The bank has committed to net zero by 2050 for its financed emissions. B. The bank has committed to net zero but not by 2050. C. The bank has not committed to any net zero goal for its financed emissions.	A	A	A	A	A	A	C	B	A	B	C	C	C	A	C	B	B	A	C	C	B	C	C	C	A	A	
(2) Is the Food and Agriculture sector included in its commitment to reach net zero financed emissions by 2050?	A. The bank has included Food and Agriculture emissions in this commitment. B. The bank has not included, or made clear, that Food and Agriculture emissions are part of its commitment.	A	B	B	B	B	B	B	B	A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	A
(3) Has the bank included facilitated emissions in its commitment to reach net zero by 2050?	A. The bank has included facilitated emissions in this commitment. B. The bank has not included, or made clear, that facilitated emissions are part of its commitment	A	A	A	A	A	A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	B
<b>(B) Has the bank set targets at a sectoral level as part of a commitment to reach net zero by 2050?</b>																												
(1) Has the bank announced emissions targets for carbon-intensive sectors?	A. The bank has announced emissions targets for some carbon-intensive sectors. B. The bank has not announced emissions targets for any carbon-intensive sectors.	A	A	A	A	B	B	B	B	A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	A
(2) Is the Food and Agriculture sector included in its emissions targets for carbon-intensive sectors?	A. The bank has announced emissions targets for some carbon-intensive sectors and has included the Food and Agriculture sector. B. The bank has not included, or made clear, that the bank has not included the Food and Agriculture sector.	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	A
<b>(C) Has the bank committed to the goals of the Kunming-Montreal Global Biodiversity Framework?</b>																												
(1) Has the bank committed to halt and reverse nature loss by 2030?	A. The bank has committed to halt and reverse nature loss by 2030. B. The bank has made some commitment or announcement of support to reduce nature-related impacts but it is lacking specificity. C. The bank has not made any commitment or announcement of support to halt and reverse nature loss.	B	B	C	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	B	A
(2) Is the Food and Agriculture sector included in its commitment to halt and reverse nature loss by 2030?	A. The bank has included the Food and Agriculture sector in this commitment. B. The bank has not included, or made clear, that Food and Agriculture sector are part of its commitment.	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other			
<b>POLICY</b>		DBS	UOB	OCBC	CIMB	HLB	Maybar	BCA	Mandiri	BRI	BNI	BDO	BPI	MBT	vyudhy	BKB	asikorung	Th	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Iard	Charitabo	Bank	
<b>(D) Has the bank announced policies on financing that are aligned with the Platform's priority asks? (Include information on policies for sustainable/green/transition financing that may not be applied across the entire credit portfolio.)</b>																													
(1) Has the bank announced a policy to phase out financing of companies or projects that involve usage of growth promotants and routine prophylactic use of antibiotics in animal production?	A. The bank has announced a policy to exclude financing of activities involving usage of growth promotants and routine prophylactic antibiotic usage. B. The bank announced a policy that encourages financing of activities with responsible antibiotic usage and excludes usage of growth promotants but does not exclude routine prophylactic antibiotic usage. C. The bank announced a policy that encourages financing of activities with responsible antibiotic usage but does not exclude usage of growth promotants and routine prophylactic antibiotic usage. D. The bank has not announced a policy on financing of activities involving usage of growth promotants and routine prophylactic antibiotic usage.	D	C	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	B	B
(2) Has the bank announced a policy to phase out financing of companies or projects that involve caged systems in animal production?	A. The bank has announced a policy to exclude financing of caged systems. B. The bank announced a policy that encourages financing of higher-welfare systems but does not exclude caged systems. C. The bank has not announced a policy on financing of caged systems.	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	A	B
(3) Has the bank announced an animal welfare policy to guide its financing of activities in animal production and sourcing?	A. The bank has announced a policy to exclude financing of activities that are not FARMS-aligned. B. The bank announced a policy that excludes financing of activities that are not FARMS-aligned in some aspects of animal production, while encouraging FARMS-aligned practices in other aspects. C. The bank has announced a policy that references guiding principles such as IFC Good Practice Note and the Five Freedoms, but does not show any alignment with FARMS. D. The bank has not announced an animal welfare policy on financing of activities in animal production and sourcing.	C	C	D	D	D	D	D	D	D	D	D	D	D	D	D	C	D	D	D	D	D	D	D	D	D	B	B	

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other		
		DBS	UOB	OCBC	CIMB	HLB	Maybar	BCA	Vlandir	BRI	BNI	BDO	BPI	MBT	iyudhy	BKB	asikorong	TH	SCB	IB	CB	SBI	HDFC	PNB	ICICI	lard	Chartabo	Bank
<b>POLICY</b>																												
(4) Has the bank announced a policy to phase out financing of companies and projects that are not aligned to a 1.5oC pathway for the Food and Agriculture sector?	A. The bank has announced a policy to exclude financing of activities that are not aligned to a 1.5C pathway. B. The bank announced a policy that encourages financing of activities that are aligned to a 1.5C pathway, but does not exclude activities that are not aligned to a 1.5C pathway. C. The bank has not announced a policy on financing of activities that are not aligned to net zero commitments.	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	B
(5) Has the bank announced a policy to avoid financing of companies and projects that are involved in deforestation and other land-use changes across all key commodities* by 2030?	A. The bank has announced a policy to exclude financing of activities that involve deforestation and other land-use change for all high-risk commodities by 2030. B. The bank announced a policy to exclude financing of activities that involve deforestation and other land-use change by 2030 but the scope does not cover all high-risk commodities. C. The bank has announced a policy that encourages financing of activities that avoid deforestation and other land-use change but does not practise exclusion. D. The bank has not announced a policy on financing of activities that involve deforestation and other land-use change.	A	B	B	B	D	A	B	A	D	B	C	D	D	D	C	A	D	D	D	D	D	D	D	D	D	A	A
	*Key commodities: cattle, oil palm, soy, cocoa, rubber, coffee, pulp and paper																											

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other		
		DBS	UOB	OCBC	CIMB	HLB	Maybar	BCA	Vlandir	BRI	BNI	BDO	BPI	MBT	iyudhy	BKB	asikorong	TH	SCB	IB	CB	SBI	HDFC	PNB	ICICI	lard	Chartabo	Bank
<b>GOVERNANCE</b>																												
<b>(A) Does the bank possess expertise at the board level to determine its climate and nature policies?</b>																												
(1). Has the bank appointed a board member or a board-level committee that has responsibility for sustainability-related issues, especially for climate change and natural resource risks?	A. The bank has appointed a board member with responsibility for sustainability-related issues, including climate change and natural resource risks. B. The bank has appointed a committee with responsibility for sustainability-related risk issues, including climate change and natural resource risks. C. The bank has facilitated board-level oversight of sustainability-related issues, including climate change and natural resource risks. D. The bank has facilitated board-level oversight of sustainability-related issues, but does not include climate change and natural resource risks. E. The bank has no clear board level oversight of sustainability-related issues.	B	C	B	B	B	B	C	C	B	C	C	B	C	D	B	B	B	C	B	B	C	B	B	B	B	A	B

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other	
		DBS	UOB	OCBC	CIMB	HLB	Maybar	BCA	Vlandir	BRI	BNI	BDO	BPI	MBT	iyudhy	BKB	asikorong	TH	SCB	IB	CB	SBI	HDFC	PNB	ICICI	lard	Chartabo
<b>GOVERNANCE</b>																											
(2). Does the bank have at least one board member with relevant skills/experience in sustainability-related issues, especially in climate change and natural resource risks, to give input into strategy?	A. There is a board member with both relevant academic and operational experience B. There is a board member with relevant academic experience C. There is a board member with relevant operational experience D. There is no board member where the biography clearly demonstrates relevant experience	A	D	D	A	D	D	D	D	D	D	C	D	D	D	C	D	D	D	D	D	D	C	D	D	D	D
<b>(B) Has the bank aligned with the four pillars of the Taskforce on Climate-related Financial Disclosures (TCFD)?</b>																											
(1). Does the bank report annually against the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)?	A. The bank has implemented and disclosed in line with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). B. The bank has referred to the TCFD recommendations but its disclosure did not show strong alignment with TCFD recommendations. C. The bank has not implemented and disclosed in line with the TCFD recommendations	A	A	A	A	A	A	B	A	A	C	A	A	C	B	A	A	A	A	C	C	B	B	B	A	A	A
<b>(C) Has the bank aligned with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)?</b>																											
(1). Does the bank report annually against the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)?	A. The bank has implemented and disclosed in line with the recommendations of the Task Force on Nature related Financial Disclosures (TNFD). B. The bank has referred to the TNFD recommendations but its disclosure did not show strong alignment with TNFD recommendations. C. The bank has not implemented and disclosed in line with the TNFD recommendations.	C	B	C	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	A

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	IN	Other		
<b>RISK MANAGEMENT</b>		DBS	UOB	OCBC	CIMB	HLB	flaybar	BCA	vlandir	BRI	BNI	BDO	BPI	MBT	vyudhy	BKB	lasikorung	Th	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Iard	Chartabo	Banl	
<b>(A) Has the bank developed a detailed transition risk matrix of its clients in the Food and Agriculture sector?</b>																													
(1) Has the bank provided a transition risk matrix that includes a migration analysis? Does this include the Food and Agriculture sector?	A. The bank has provided a migration analysis in a matrix, expressed in terms of both the number of companies and the level of the portfolio's exposure B. The bank has provided a migration analysis in a risk matrix, expressed in terms of the number of companies C. The bank has provided a migration analysis in a risk matrix, expressed in terms of the level of the portfolio's exposure D. The bank has not provided a migration analysis in its risk matrix, or does not have a risk matrix	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	IN	Other		
<b>RISK MANAGEMENT</b>		DBS	UOB	OCBC	CIMB	HLB	flaybar	BCA	vlandir	BRI	BNI	BDO	BPI	MBT	vyudhy	BKB	lasikorung	Th	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Iard	Chartabo	Banl	
<b>(B) Has the bank taken into account transition and physical risks within the Food and Agriculture sector?</b>																													
(1) Has the bank conducted a scenario analysis for transition risks in the Food and Agriculture sector and reported on its results?	A. The bank has conducted a scenario analysis of transition risks in the Food and Agriculture sector and disclosed the results. B. The bank has mentioned scenario analysis of transition risks in the Food and Agriculture sector but has not disclosed the results. C. The bank has not disclosed any information about conducting a scenario analysis of transition risks in the Food and Agriculture sector.	B	B	B	C	B	B	B	A	B	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	B
(2) Has the bank conducted a scenario analysis for physical risks in the Food and Agriculture sector and reported on its results?	A. The bank has conducted a physical risk analysis in the Food and Agriculture sector and disclosed its results B. The bank has conducted a physical risk analysis in the Food and Agriculture sector but has not disclosed its results. C. The bank has not disclosed any information about conducting a scenario analysis of physical risks in the Food and Agriculture sector.	C	B	B	C	B	B	B	C	B	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	B	C	B

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	IN	Other		
<b>Opportunities / Solutions</b>		DBS	UOB	OCBC	CIMB	HLB	flaybar	BCA	vlandir	BRI	BNI	BDO	BPI	MBT	vyudhy	BKB	lasikorung	Th	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Iard	Chartabo	Banl	
<b>(A) Has the bank developed frameworks to guide its sustainable/green/transition financing activities?</b>																													
(1) Has the bank provided a sector-specific sustainable/green/transition financing policy for the Food and Agriculture sector?	A. The bank has provided a sector-specific sustainable/green/transition financing policy for the Food and Agriculture sector. B. The bank has not provided a sector-specific sustainable/green/transition financing policy for the Food and Agriculture sector.	A	B	B	A	B	A	B	A	B	B	A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	B	
(2) Has the bank included higher-welfare animal production systems in its definition of sustainable/green/transition financing?	A. The bank has included higher-welfare animal production systems in its definition of sustainable/green/transition financing. B. The bank has not included higher-welfare animal production systems in its definition of sustainable/green/transition financing.	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
(3) Has the bank included nature-based climate solutions in its definition of sustainable/green/transition financing?	A. The bank has included nature-based climate solutions in its definition of sustainable/green/transition financing. B. The bank has not included nature-based climate solutions in its definition of sustainable/green/transition financing.	A	B	B	A	B	B	B	A	B	B	A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	B	
(4) Has the bank included plant-based and alternative proteins in its definition of sustainable/green/transition financing?	A. The bank has included plant-based and alternative proteins in its definition of sustainable/green/transition financing. B. The bank has not included plant-based and alternative proteins in its definition of sustainable/green/transition financing.	A	B	B	B	B	A	B	B	B	B	B	B	B	B	B	B	A	B	B	B	B	B	B	B	B	A	B	

Evaluation Question	Evaluation Grades	SG	SG	SG	MY	MY	MY	ID	ID	ID	ID	PH	PH	PH	TH	TH	TH	TH	IN	IN	IN	IN	IN	IN	Other		
		DBS	UOB	OCBC	CIMB	HLB	Maybank	BCA	Wandir	BRI	BNI	BDO	BPI	MBT	vudhy	BKB	Asikorong	TP	SCB	IB	CB	SBI	HDFC	PNB	ICICI	Bank of China	Other
<b>(B) Has the bank disclose the amount or share of capital provided towards sustainable/green/transition financing activities?</b>																											
(1). Has the bank disclosed its level of sustainable/green/transition financing in the Food and Agriculture sector as well as plans to increase it with a commitment to meet a specific target?	A. The bank has disclosed its level of sustainable/green/transition financing in the Food and Agriculture sector as well as plans to increase it with a commitment to meet specific targets B. The bank has disclosed its level of sustainable/green/transition financing in the Food and Agriculture sector but did not commit to specific plans and targets to increase it. C. The bank does not disclose its level of sustainable/green/transition financing in the Food and Agriculture sector.	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
(2). Has the bank disclosed its level of sustainable/green/transition financing in higher-welfare animal production systems?	A. The bank has disclosed its level of sustainable/green/transition financing in higher-welfare animal production systems. B. The bank has not disclosed its level of sustainable/green/transition financing in higher-welfare animal production systems.	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
(3). Has the bank disclosed its level of sustainable/green/transition financing in climate solutions, particularly for nature-based climate solutions?	A. The bank has disclosed its level of sustainable/green/transition financing in climate solutions, for both technological and nature-based solutions. B. The bank has disclosed its level of sustainable/green/transition financing in climate solutions, but for technological solutions only. C. The bank has not disclosed its level of sustainable/green/transition financing in climate solutions.	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
(4). Has the bank disclosed its level of sustainable/green/transition financing in plant-based or alternative proteins?	A. The bank has disclosed its level of sustainable/green/transition financing in plant-based or alternative proteins. B. The bank has not disclosed its level of sustainable/green/transition financing in plant-based or alternative proteins.	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B

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