

Agri-food Trade

Why should sustainable agricultural trade be incentivized?

To end the global agri-food system's expansion at nature's expense

Carbon emission

In the food sector, more than **70%** of total emissions originate from agricultural land-use change and deforestation.¹

Soy, beef, and palm oil together account for **40-50%** of global land-use change, driving significant carbon leakage.

Land conversion associated with beef production contributes an estimated **17-34%** of land-use change (LUC) emissions from the global food system; soy accounts for **5-14%**, and palm oil around **8%**.²



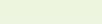


From leading consumer towards sustainable transformation champion

 **75%** of China's beef imports originate from South America, including Brazil, Argentina, and Uruguay.

As China's growth and consumption continue to promote sustainable development

For financial institutions (FIs)	
Reduce risk exposure Make financing decisions that can future-proof portfolio in agri-food	Innovation accelerates growth Develop innovative supply chain and green trade finance tools to support and incentivize green production at the origin of the value chain



For companies

Unlock sustainable financial incentives.

- ▶ Strengthen supply chain traceability and unlock preferential financing
- ▶ Potential KPIs for Sustainability-Linked Bonds (SLBs) and Sustainability-Linked Loans (SLLs) include:
 - ▶ The share of certified deforestation-free commodities.
 - ▶ The proportion of raw materials sourced in line with NDPE principles (No Deforestation, No Peat, No Exploitation).

Exploitation).

Global cases

- Wilmar's S\$1.5 billion of palm oil imported from Indonesia based on the KPI of sustainable rating performance.
- JBS's S\$8 billion linked to the target of achieving 100% traceability of beef in its supply chain.

Unlock policy dividends:

- Obtain agricultural commodity certifications to qualify for green finance incentives
- 2025 Green Finance Support Project Catalogue:
The scope of 'green-certified products' includes: organic product certification, green food certification, energy-/water-saving certification, eco-labelled products, sustainable forest certification, and more.
- In October 2025, the Ministry of Commerce released the Implementation Opinions on Expanding Green Trade:
It encourages FIs to diversify their products and services, and to support the development and international alignment/mutual

Driven by emerging international trade regulations, China can accelerate the development of mutually recognized regional certification standards and enhance its influence in agricultural commodity trade.

Promoting new business models and standards and sharing green development concepts and governance approaches.

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Implementing green finance provisions to support agricultural supply chains

The diagram illustrates the relationship between policy, financing, and market dividends on the left and internal operational improvements on the right. A central computer monitor icon is connected by dashed lines to four boxes on the right, each representing an internal improvement area.

- Policy, financing, and market dividends:**
 - Establishing end-to-end risk management systems.
 - Conducting upstream supply chain due diligence for financed projects.
 - Developing innovative products and scaling financing channels.
- Internal operational improvements:**
 - Diversifying sourcing channels.
 - Leveraging digital platforms.
 - Building internal capacity to stay abreast of compliance requirements and financial incentives.
 - Strengthening internal governance through tiered supplier management and oversight.

The diagram illustrates the relationship between challenges, opportunities, and transitions in supply chain sustainability. It features a central green box labeled 'Opportunity' with a downward-pointing arrow. To the left is an orange box labeled 'Challenge' with an upward-pointing arrow. To the right is a green box labeled 'Transition' with a right-pointing arrow. Below the 'Challenge' box, a green rounded rectangle contains the word 'Tracking'. To its right, a vertical dotted line leads to another green rounded rectangle containing the word 'Standardizing'. Below 'Tracking', text discusses supply chain complexity and barriers. Below 'Standardizing', text discusses industry standards and gaps in traceability.

What's holding back?

Challenge

Opportunity

Transition

Tracking

Complexity of supply chain
Barriers of oversight

Standardizing

Industry sustainability
standards & criteria

Gaps remain in traceability
capabilities

Yet to be refined and unified

Underfunding	Capacity gaps of SMEs
<p>Financing gap, Green premium for low-risk commodities</p>	<p>Constrained expertise, Technical tools, and resources</p>

The diagram consists of three main sections: 'Challenge' (green), 'Opportunity' (orange), and 'Transition' (green). Below these, a large green box contains the text 'Leveraging the dual advantages of policy frameworks and market scale'. Below this box are two boxes: one on the left with a green background and one on the right with an orange background. The left box contains the text 'A comprehensive green finance policy system' and features a green circular icon with a white plus sign. The right box contains the text 'The world's largest trade market' and features an orange circular icon with a white plus sign. A horizontal dashed line with a green dotted border runs across the bottom of the slide.

Challenge Opportunity Transition

Leveraging the dual advantages of policy frameworks and market scale

A comprehensive green finance policy system

The world's largest trade market

exceeded
30 trillion yuan

approximately
3.62 trillion yuan

Source: WTO, 2024

According to data from the WTO, China's total import and export value reached **\$5.94 trillion** in 2023, remained the world's largest trader for 13 years.

Green trade policy incentive: In October 2023, the Ministry of Commerce released the Implementation Opinions on Expanding Green Trade.

The policy aims to 'actively expanding green trade, promoting the optimization of trade, to achieve the carbon peaking and carbon neutrality goals, and accelerate the development of China as a leading trade player.'

It calls for 'enhanced financial policy support'.

It promotes 'the establishment of relevant standards and their international, mutual recognition'.



Building upon the existing ESG frameworks in FIs



- Addressing gaps in due diligence capacity and standardization of disclosure, thereby providing pathways for designing financial incentives for sustainable agricultural products.
- Learning from international FIs' risk management practices**
 -  **Leading international FIs (e.g., HSBC, Rabobank):** "Deforestation-free" policies, risk assessments, client due diligence, and post-investment monitoring
 - Leveraging financial innovation and emerging technologies**

Application of Blockchain

- Sustainable agriculture
- Green credit
- Green bonds
- Blockchain-based digital traceability

Building a transparent, efficient, and traceable agricultural supply chain.

The diagram illustrates the role of the Platform as a central hub connecting various actors and issues. At the top, a box for "Research institutions, environmental organizations and CSOs" is connected by a double-headed orange arrow to a central box labeled "As the bridge of engagement". This central box is also connected by double-headed orange arrows to two large green boxes: "Governments, FIs and companies" on the right and "Forest risks, Biodiversity, Responsible investment" at the bottom. The bottom section is divided into three colored boxes: a green box on the left, a yellow box in the center, and a blue box on the right, all sharing a common central vertical axis.

Research institutions, environmental organizations and CSOs

As the bridge of engagement

Governments, FIs and companies

Forest risks

Biodiversity

Responsible investment

Research findings

Platform

Cross-Departmental

Together Forward – Pathways Toward a Transparent, Sustainable Future

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graph TD; A[Financial innovation] --- B[Corporate practices]; B --- C["To establish a traceable, transparent, and low-forest-risk agricultural trade system"]; C --- D[Direction]; C --- E[Key actions]; E --- F["Governments and regulatory bodies"]; F --- G1["Establish a certification and traceability standard system for sustainable agricultural products, and promote international mutual recognition mechanisms."]; F --- G2["Develop a framework for sustainable agricultural trade, including rules for certification, labeling, and reporting."]; F --- G3["Promote the use of technology and data sharing to enhance transparency and traceability in the supply chain."]; F --- G4["Strengthen regulatory frameworks and international cooperation to address environmental and social risks in agriculture."]; F --- G5["Promote sustainable agricultural practices and responsible supply chain management to reduce environmental impact and ensure long-term viability."];
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Financial innovation

Corporate practices

To establish a traceable, transparent, and low-forest-risk agricultural trade system

Direction

Key actions

Governments and regulatory bodies

- Establish a certification and traceability standard system for sustainable agricultural products, and promote international mutual recognition mechanisms.
- Develop a framework for sustainable agricultural trade, including rules for certification, labeling, and reporting.
- Promote the use of technology and data sharing to enhance transparency and traceability in the supply chain.
- Strengthen regulatory frameworks and international cooperation to address environmental and social risks in agriculture.
- Promote sustainable agricultural practices and responsible supply chain management to reduce environmental impact and ensure long-term viability.

Strengthen regulatory frameworks and international cooperation to address environmental and social risks in agriculture.

international cooperation to enable standard alignment and market incentives.

Include agricultural product supply chains within the scope of green finance incentive policies.

Support cross-border and multilateral platforms in sustainable trade cooperation, and promote the implementation of regional demonstration projects.

 **Financial institutions**

Integrate supply chain due diligence mechanisms throughout the entire loan process (pre-loan, in-loan, and post-loan), incorporating



- **Strengthen frameworks and innovate financial tools to accelerate supply chain transformation.**
- **Introduce innovative financial products, such as Sustainability-Linked Loans (SLL), biodiversity funds, and specialized financing for small and medium-sized enterprises.**
- **Companies**
 - **Establish supply chain traceability systems and implement sustainable sourcing policies.**

- procurement transparency and traceability to enhance supply chain resilience and competitiveness.
- Participate in international sustainability certification systems to enhance export and financing facilitation.
- Take advantage of blockchain and digital platforms to improve data transparency and management efficiency.

Multi-stakeholder collaboration

- Governments and regulatory bodies
- Financial institutions
- Corporate

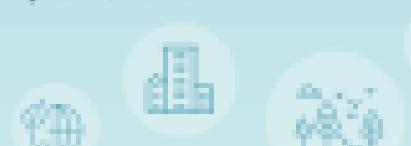
Align policy, finance, and corporate actions to create a joint force:

Key actions

- Build multi-stakeholder collaboration platforms to promote data sharing and capacity building.
- Jointly develop demonstration projects to create replicable and scalable solutions..
- Enhance influence on global issues through international exchanges and knowledge cooperation.

Together forward – building a transparent, traceable, and deforestation-free agri-food trade system that benefits growth, people and planet.

conducted with government agencies, financial institutions, and industry enterprises, we have collectively recognized that building a traceable, transparent, and low forest-risk agricultural trade system requires a collaborative framework driven by policy guidance, fueled by financial innovation, and grounded in corporate implementation.



To address the environmental challenges posed by global agri-food trade, GBI actively promotes the joint development of sustainable agricultural supply chains between China and its trading partners through multiple international cooperation projects. The projects focus on establishing effective policy guidance and financial incentive mechanisms at the China market end, supporting trade and market access for green agricultural products.