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Research Article

Case Study on ESG Operations in Four Major Korean Financial Groups: KB Financial Group, Shinhan Financial Group, Woori Financial Group, and Hana Financial Group

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Abstract: This study analyzes the ESG management activities of the four major Korean financial groups—KB Financial Group (KBFG), Shinhan Financial Group (SHFG), Woori Financial Group (WRFG), and Hana Financial Group (HNFG)—over three consecutive years (2021–2023). (1) Background/Purpose: ESG management has established itself as an indispensable strategy in the modern financial industry. Financial institutions control the flow of capital and allocate resources, making the pursuit of sustainable finance increasingly critical. This study investigates whether ESG activities in the four major groups constitute genuine virtuous-cycle management—systematically implementing policies, reviewing outcomes, and feeding back into the following year's strategy—or remain at the level of performative policy-setting. (2) Study Design/Methodology/Approach: Sustainability management reports (ESG reports) published by the four groups over the 2021–2023 period were collected and analyzed by ESG domain (Environment, Social, Governance) with year-on-year trend comparisons. Key metrics include internal carbon emissions, renewable energy usage ratios, social contribution investment, number of ESG-related committees, and risk management training hours. (3) Findings: All four groups demonstrate continuous improvement across E, S, and G dimensions, with each group's strategy shaped by its distinct corporate philosophy: KBFG emphasizes sustainable management, SHFG emphasizes risk management reinforcement, HNFG emphasizes digital financial service enhancement, and WRFG emphasizes ethical and law-abiding management. Carbon emissions declined steadily for all four groups, yet direct cross-group comparison remains difficult due to differing measurement standards. (4) Originality/Value: The study confirms that the four groups are not merely establishing policies but are forming genuine feedback loops between implementation and strategy. It also highlights the urgent need for unified ESG measurement and disclosure standards to enable objective comparisons for investors and consumers.

Keywords: ESG management; Korean financial groups; sustainability reporting; carbon neutrality; green finance; corporate governance; KB Financial Group; Shinhan Financial Group; Woori Financial Group; Hana Financial Group

1. Introduction

1.1. Research Background

ESG (Environmental, Social, and Governance) management has established itself as a critical management strategy in the modern financial industry. Financial institutions play a role in controlling the flow of capital according to the strategies pursued by each institution and allocating necessary resources by domain; accordingly, the need to pursue sustainable finance is becoming increasingly important.

Domestic financial institutions aim to create environmental and social value in addition to financial performance through ESG management, and in particular, the improvement of governance and the strengthening of transparent management have recently emerged as major concerns.

1.2. Research Objectives

The purpose of this study is to comprehensively investigate the ESG management activities of the four major domestic financial groups—KB Financial Group, Shinhan Financial Group, Woori Financial Group, and Hana Financial Group—and to analyze the strategy and activities of each financial group.

1.3. Research Methodology

Data Collection

This study investigates and analyzes the current status and trends of ESG management practices by analyzing the sustainability management reports of the three most recent years of the major financial groups (KB, Woori, Shinhan, Hana).

Analysis Method

This study secures implications by analyzing sustainability reports prepared through ESG management activities of each financial institution by domain.

2. Literature Review and Environment Analysis

2.1. Definition and Components of ESG

ESG is a word combining the first letters of Environmental, Social, and Governance, representing three core elements for achieving sustainability in corporate management.

- **Environmental:** This element includes items such as climate change and carbon emissions, environmental pollution, and environmental regulations. Eco-friendly management and resource and waste management by companies are important.
- **Social:** This includes human rights protection, data protection, consideration of diversity, and building cooperative relationships with supply chains and local communities. The corporate social responsibility model and co-prosperity model with local communities are important.
- **Governance:** This includes transparent board composition, establishment of audit committees, monitoring of CEO and top management corporate behavior, and oversight on behalf of stakeholders. Transparent and highly reliable corporate governance is important.

2.2. Current Status of ESG Management Activities in Financial Institutions

ESG Management Activities

Domestic financial institutions share common initial tasks such as carbon neutrality, climate change adaptation, cooperation with international organizations, green finance, and support programs for vulnerable groups. However, there are differences in environmental priorities and approaches depending on business strategies.

KB Financial Group is company-wide promoting ‘KB Green Wave 2030,’ which expands ESG products, investments, and loans to 50 trillion KRW by 2030, with 50% invested in the environmental domain. In the case of Shinhan Financial Group, it declared ‘Zero Carbon Drive’ in 2020, becoming the first in East Asia to declare carbon neutrality including the group’s asset portfolio, and in 2022, was the first in Korea to issue green bonds that fully satisfy K-Taxonomy.

Consumer Awareness and Behavior

It was found that consumer awareness tends toward maintaining transaction relationships when financial institution ESG management activities are perceived as ethical. Also, it was found that as the governance of financial institutions improves, corporate value increases while recording positive cumulative excess returns.

In terms of consumer behavior, continuous transaction intention was found to have a positive impact on the ESG management activities of financial institutions. Consumers tend to raise the trust and reputation of financial institutions through ESG management activities and maintain continuous transaction intention.

Results and Implications of ESG Management Activities

As a result of research, environmental and governance factors had a positive impact on consumers' intention to continue transactions. However, social factors did not have a significant impact. The relationship between environmental and governance factors and consumer transaction intention was mediated by institutional trust and reputation.

This study suggested that consumer awareness and behavior may differ across various ESG management domains within financial institutions, emphasizing the need for customized ESG strategies. It also showed that it is important for financial institutions to increase consumer trust and reputation through ESG management activities and strengthen continuous transaction intention.

3. Case Analysis

3.1. Overview of ESG Activity Performance Analysis for the Four Financial Groups

The four financial groups (KB, Shinhan, Woori, and Hana Financial Groups) publish annual sustainability management reports related to ESG activities, and these reports transparently disclose to stakeholders the management of financial and non-financial risks through the internalization of ESG management, and the risk response measures and performance. ESG activities and performance of each financial group were analyzed together with year-on-year trends based on sustainability management reports (ESG reports) from the most recent three years (2021–2023).

3.2. ESG Activity Performance Analysis of Woori Financial Group

(1) ESG Strategy Framework

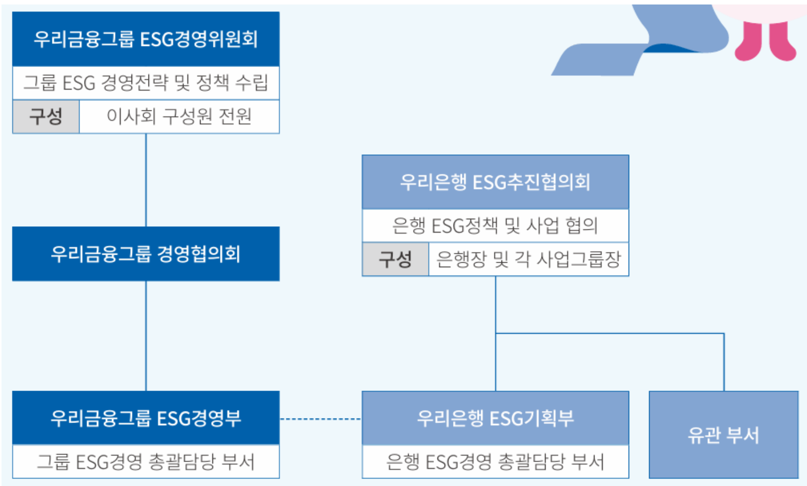
Woori Financial Group has established an ESG strategy framework consisting of mid-to-long-term ESG goals, three strategic directions, and nine strategic tasks, and has a system of assigning ESG goals to each subsidiary and linking performance to management performance evaluations to promote ESG management across the entire financial group.

Figure 1. *ESG Strategy Framework of Woori Financial Group. Source: Woori Bank 2023 ESG Report.*

The mid-to-long-term ESG goal is ‘Plan Zero 100,’ which achieves Zero carbon emissions within the group and in the asset portfolio by 2050, and supports ESG finance of 100 trillion KRW by 2030, and is being implemented. This goal has been found to expand continuously each year.

Woori Bank promotes ESG management in a unified manner with the group’s ESG policies, such as assigning ESG promotion tasks to C-level group heads based on the ESG goals set by Woori Financial Group. To spread ESG management strategy and establish an execution framework, an ‘ESG Promotion Council’ chaired by the bank president is held every quarter, through which ESG management cooperation between business groups and departments is being strengthened. The ESG Promotion Council discusses various agendas such as ESG promotion performance and plans, ESG finance support status and expansion plans, and human rights management system construction, and reviews and supervises ESG-related risk and opportunity factors identified through the results of Woori Bank’s materiality assessment each year.

Figure 2. *ESG Governance of Woori Financial Group and Woori Bank.*



(2) Implementation Status of Strategy Changes by Domain

a. Environmental Domain

Internal carbon emission reductions were found to have decreased by as much as three times, from 95 billion KRW in 2021 to 296.3 billion KRW in 2022, and the renewable energy usage ratio increased 2.5 times from 10% in 2021 to 25% in 2023.

Table 1. Carbon Emission Reductions — Internal Emissions (100 million KRW), Woori Financial Group.

Year	Internal Emissions (100 million KRW)
2021	950
2022	2,963
2023	NA

Table 2. Renewable Energy Usage Ratio (%), Woori Financial Group.

Year	Renewable Energy Ratio (%)
2021	10%
2022	18%
2023	25%

b. Social Domain

In the area of social contribution, climate change-related education and awareness programs were implemented in 2021, eco-friendly loan products were launched in 2022, and a company-wide climate change response strategy was established and implemented in 2023, confirming a stepwise form of social participation. Accordingly, social contribution investment amounts have been continuously increasing by more than twice from 2021 to 2023.

Table 3. Social Contribution Investment (100 million KRW), Woori Financial Group.

Year	Social Contribution Investment (100 million KRW)
2021	9,442
2022	22,565
2023	28,544

c. Governance Domain

The number of ESG-related committees gradually increased from five in 2021 to seven in 2023, and risk management training hours also increased approximately 1.4 times from 2021 to 2023, confirming continuous strengthening of risk management education.

Table 4. Number of ESG-Related Committees, Woori Financial Group.

Year	Number of ESG-Related Committees
2021	5
2022	6
2023	7

Table 5. Risk Management Training Hours and ESG Training Rate for Key Managers, Woori Financial Group.

Year	Risk Management Training Hours	ESG Training Rate for Key Managers (%)
2021	100	75%
2022	120	80%
2023	140	85%

(3) Conclusions and Implications

Woori Financial Group has been achieving steady results in the environmental, social, and governance sectors through sustainability management reports over the past three years. The following three key points are evaluated to have had positive impacts.

- **Carbon Emission Reduction and Expansion of Renewable Energy Use:** Reducing carbon emissions each year and increasing the proportion of renewable energy use demonstrates efforts to meet environmental needs.
- **Expansion of Social Contribution:** Continuously improving climate change response strategies, increasing social contribution investments, and contributing to local communities and environmental protection.
- **Governance and Education Strengthening:** Increasing the number of ESG-related committees, strengthening risk management education, and raising the proportion of ESG training for key executives, thereby strengthening internal control and responsible management.

It can be seen that Woori Financial Group continuously demonstrates the will to pursue sustainable development and contribute to society and the environment through overall improvements in environment, social, and governance.

3.3. ESG Activity Performance Analysis of Shinhan Financial Group

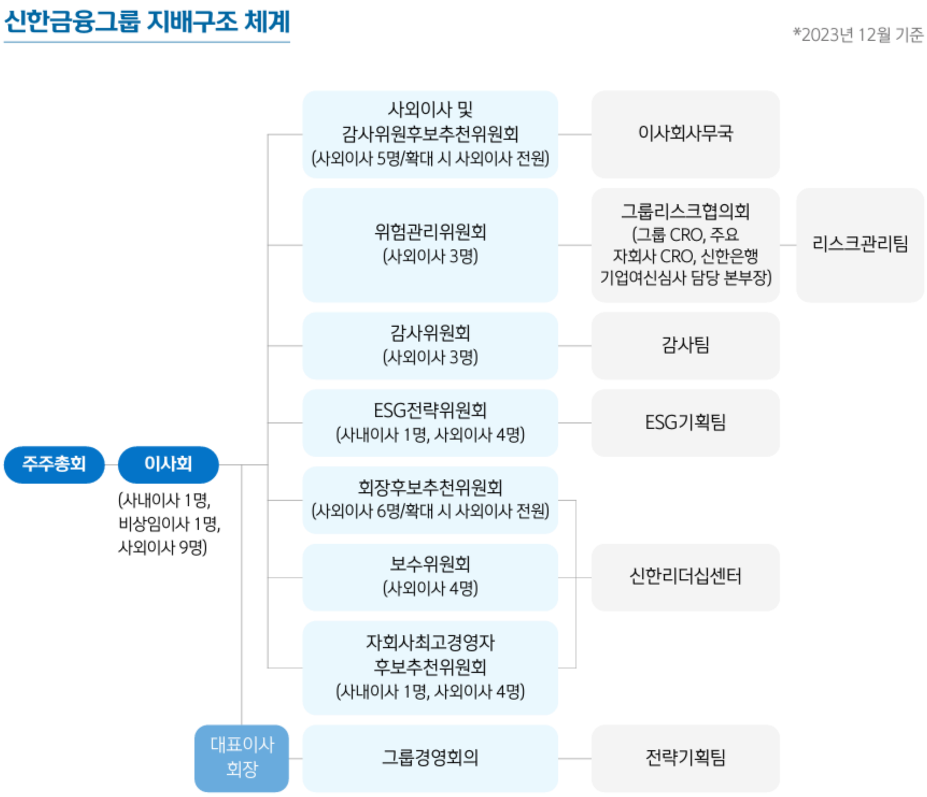
(1) ESG Strategy Framework

Shinhan Financial Group's ESG principle 'FINANCE for IMPACT' exerts the positive influence of finance to change for the better together with more people. It has built an ESG strategy framework to thoroughly keep its promises, and has established five impact tasks and ten strategic indicators under three strategic directions of eco-friendly, mutual growth, and trust.

Figure 3. *ESG Strategy of Shinhan Financial Group.*

Shinhan Financial Group secures the transparency, soundness, and stability of governance to promote the long-term development of the group and protect the interests of stakeholders such as shareholders and financial consumers, and also implements transparent governance by disclosing governance-related business processing standards, procedures, and results through the governance annual report and homepage.

Figure 4. *Governance Framework of Shinhan Financial Group.*



(2) Implementation Status of Strategy Changes by Domain

a. Environmental Domain

In terms of carbon emission reductions, internal emissions in 2021 were 21,000 tCO_2e, a 20% reduction compared to 2020, with a renewable energy ratio of 12%. In 2022, carbon emissions were 18,500 tCO_2e (an additional 12% reduction compared to 2021), with a renewable energy ratio of 18%. In 2023, internal emissions were 16,000 tCO_2e (an additional 15% reduction compared to 2022), achieving a renewable energy ratio of 24%. Internal carbon emission reductions are continuously decreasing, and the renewable energy ratio has more than doubled from 2021 to 24%.

Table 6. Carbon Emission Reductions — Internal Emissions (tCO_2e), Shinhan Financial Group.

Year	Internal Emissions (tCO_2e)	Annual Reduction Rate (%)
2021	21,000	—
2022	18,500	12%
2023	16,000	15%

Table 7. Renewable Energy Usage Ratio, Shinhan Financial Group.

Year	Renewable Energy Ratio (%)
2021	12%
2022	18%
2023	24%

b. Social Domain

In terms of climate change response, climate change-related education and awareness programs were implemented in 2021, eco-friendly loan products were launched in 2022, and a company-wide climate change response strategy was established and implemented in 2023, operationalizing climate change governance. In terms of social contribution investment, 1.2 trillion KRW was invested in 2021, 1.4 trillion in 2022, and 1.6 trillion in 2023, continuously increasing investment to raise social contribution.

Table 8. Social Contribution Investment (100 million KRW), Shinhan Financial Group.

Year	Social Contribution Investment (100 million KRW)
2021	12,000
2022	14,000
2023	16,000

c. Governance Domain

ESG-related committees were operated with six in 2021 and show a gradually increasing trend to eight in 2023. Risk management training hours were 110 hours in 2021 and increased to 140 hours in 2023, approximately a 0.4-fold increase.

Table 9. Number of ESG-Related Committees, Shinhan Financial Group.

Year	Number of ESG-Related Committees
2021	6
2022	7
2023	8

Table 10. Risk Management Training Hours and ESG Training Rate for Key Managers, Shinhan Financial Group.

Year	Risk Management Training Hours	ESG Training Rate for Key Managers (%)
2021	110	75%
2022	120	80%
2023	140	85%

(3) Conclusions and Implications

It can be seen that Shinhan Financial Group has been achieving steady results in the environmental, social, and governance sectors through sustainability management reports over the past three years. The following three key points are evaluated to have had positive impacts. Shinhan Financial Group also continuously demonstrates the will to pursue sustainable development and contribute to society and the environment through overall improvements in environment, social, and governance.

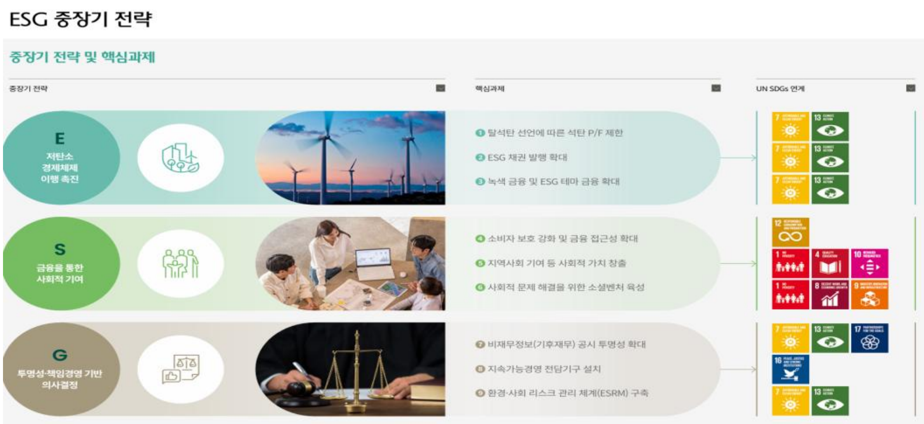
- **Carbon Emission Reduction and Expansion of Renewable Energy Use:** Reducing carbon emissions each year and increasing the proportion of renewable energy use demonstrates efforts to meet environmental needs.
- **Expansion of Social Contribution:** Continuously improving climate change response strategies, increasing social contribution investments, and contributing to local communities and environmental protection.
- **Governance and Education Strengthening:** Increasing the number of ESG-related committees, strengthening risk management education, and raising the proportion of ESG training for key executives, thereby strengthening internal control and responsible management.

3.4. ESG Activity Performance Analysis of Hana Financial Group

(1) ESG Strategy Framework

Hana Financial Group's mid-to-long-term strategy involves promoting the transition to a low-carbon economy, social contribution through finance, and transparent and responsible management-based decision-making. Its core tasks are defined as nine practical tasks: restrictions on coal project finance following a coal exit declaration, expansion of ESG bond issuance, expansion of green finance and ESG themed finance, strengthening consumer protection and expanding financial accessibility, creating social value including community contribution, fostering social ventures for solving social problems, expanding transparency in non-financial information (climate finance) disclosure, establishing a dedicated organization for sustainable management, and building an environmental and social risk management system.

***Figure 5.** ESG Strategy Framework of Hana Financial Group.*



(2) Implementation Status of Strategy Changes by Domain

a. Environmental Domain

Carbon emission reduction activities carried out since 2021 showed 17,000 tCO_2e in 2023, a 13% reduction compared to 2021, and the renewable energy usage ratio increased from 12% in 2021 to 28% in 2023. In addition, the amount invested in green finance doubled from 1 trillion KRW in 2021 to 2 trillion KRW in 2023.

Table 11. Carbon Emission Reductions — Internal Emissions (tCO_2e), Hana Financial Group.

Year	Internal Emissions (tCO_2e)	Annual Reduction Rate (%)
2021	22,000	—
2022	19,500	11%
2023	17,000	13%

Table 12. Renewable Energy Usage Ratio, Hana Financial Group.

Year	Renewable Energy Ratio (%)
2021	12%
2022	20%
2023	28%

Table 13. Green Finance Investment (trillion KRW), Hana Financial Group.

Year	Green Finance Investment (trillion KRW)
2021	1
2022	1.5
2023	2

b. Social Domain

Social contribution investment amounts gradually increased from 40 billion KRW in 2021 to 50 billion KRW in 2023. In terms of climate change response activities, climate-related education programs and local community climate change response activity support were provided in 2021, and programs to improve financial accessibility for the marginalized were operated. In 2022, eco-friendly loan products were expanded and local community environmental protection programs were supported, and financial education programs for low-income groups were operated. In 2023, a company-wide climate change response strategy was established and implemented, and social responsibilities were expanded through customized financial services for the marginalized.

Table 14. Social Contribution Investment (100 million KRW), Hana Financial Group.

Year	Social Contribution Investment (100 million KRW)
2021	400
2022	450
2023	500

c. Governance Domain

In 2021, an ESG committee was formed and operated to strengthen ESG governance, and an ESG management system was established with 110 hours of risk management-related training. In 2022, ESG-related committees were expanded and improved with 120 hours of risk management training. In 2023, ESG-related committees were continuously operated and expanded to strengthen ESG governance, and risk management activities were improved with 130 hours of risk management training.

Table 15. Number of ESG-Related Committees and Risk Management Training Hours, Hana Financial Group.

Year	Number of ESG-Related Committees	Risk Management Training Hours
2021	6	110
2022	7	120
2023	8	130

(3) Conclusions and Implications

As a result of analyzing Hana Financial Group's sustainability management reports over the past three years, steady results have been achieved in the environmental, social, and governance sectors. The following three key points are evaluated to have had positive impacts. Hana Financial Group continuously demonstrates the will to pursue sustainable development and contribute to society and the environment through overall improvements in environment, social, and governance.

- **Carbon Emission Reduction and Expansion of Renewable Energy Use:** Reducing carbon emissions each year and increasing the proportion of renewable energy use demonstrates efforts to meet environmental needs.
- **Expansion of Social Contribution:** Continuously improving climate change response strategies, increasing social contribution investments, and contributing to local communities and environmental protection.
- **Governance and Education Strengthening:** Increasing the number of ESG-related committees, strengthening risk management education, and raising the proportion of ESG training for key executives, thereby strengthening internal control and responsible management.

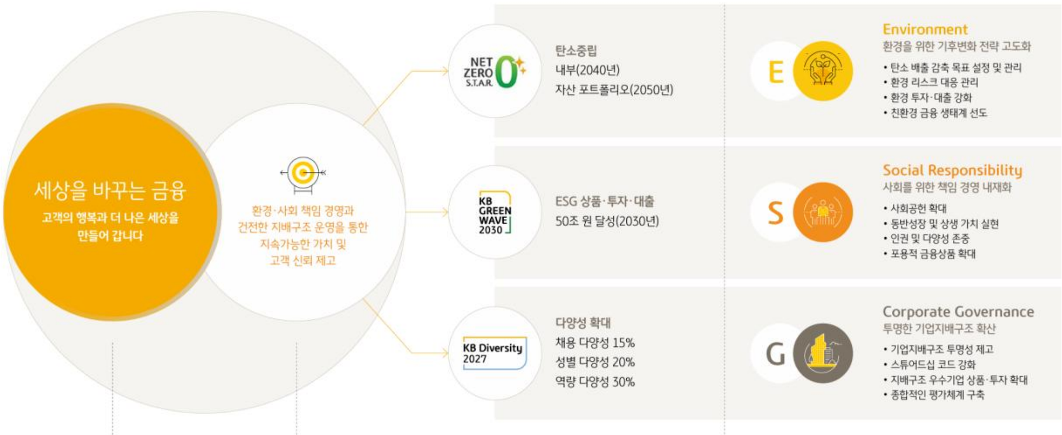
3.5. ESG Activity Performance Analysis of KB Financial Group

KB Financial Group publishes an annual sustainability management report to disclose activities and performance in the ESG sectors of Environment, Social, and Governance. The 2023 Sustainability Management Report is composed of a total of 13 core topics including nine material topics and four general topics, derived based on the results of the Double Materiality assessment.

(1) ESG Strategy Framework

KB Financial Group strives to realize 'Finance that Changes the World' through differentiated ESG management and create a better world. As a global ESG management leading group, all members of KB Financial Group concentrate their capabilities on ESG management practice and take the lead in creating social value. In particular, various efforts are being made to promote diversity and social responsibility activities along with global climate leadership. Based on a solid ESG strategy framework, KB Financial Group faithfully fulfills environmental and social responsibilities and operates sound governance, implementing mid-to-long-term strategies step by step to achieve the goals of 'Carbon Neutrality,' 'ESG Products, Investments, and Loans,' and 'Expanding Diversity.'

Figure 6. *ESG Strategy Framework of KB Financial Group.*



To achieve the corporate governance goal of 'enhancing corporate value and realizing shareholder value,' KB Financial Group practices securing board independence, protecting shareholder rights, improving management transparency, and efficiently operating audit bodies, and also continuously reviews and improves governance principles and policies to proactively and actively respond to changes in the management environment and market. To secure diverse expertise of outside directors, KB Financial Holdings manages candidate pools in seven fields: finance, management, finance/risk management/economics, accounting, law/regulation, digital/IT, and ESG/consumer protection, and as of the end of March 2024, the board is balanced with outside directors who have high expertise in each field, meeting the requirements for professional fields stipulated in the outside director qualification requirements of the 'Act on Corporate Governance of Financial Companies.'

KB Financial Holdings constitutes the board with directors who have expertise in various fields to maximize mutual expertise among members and supplement areas of deficiency, efficiently resolving various tasks and challenges the company faces, and the KB Financial Holdings board operates a total of eight sub-committees. Sub-committees perform some of the functions delegated from the board, including monitoring and advisory functions on important matters as defined by laws and articles of incorporation.

Figure 7. *ESG Promotion Organization Chart, KB Financial Group.*

(2) Implementation Status of Strategy Changes by Domain

a. Environmental Domain

Carbon emission reduction activities carried out since 2021 confirmed that emissions were 16,000 tCO_2e in 2023, a 15% reduction from 2021, and the renewable energy usage ratio is gradually increasing from 12% in 2021 to 24% in 2023.

Table 16. Carbon Emission Reductions — Internal Emissions (tCO_2e), KB Financial Group.

Year	Internal Emissions (tCO_2e)	Annual Reduction Rate (%)
2021	21,000	—
2022	18,500	12%
2023	16,000	15%

Table 17. Renewable Energy Usage Ratio, KB Financial Group.

Year	Renewable Energy Ratio (%)
2021	12%
2022	18%
2023	24%

b. Social Domain

Climate change-related education and awareness programs were implemented from 2021, eco-friendly loan products were launched in 2022, and a company-wide climate change response strategy was established and implemented in 2023 to respond to climate change. In terms of social contribution investment, the scale is gradually increasing from 1.2 trillion KRW in 2021 to 1.6 trillion KRW in 2023.

Table 18. Social Contribution Investment (100 million KRW), KB Financial Group.

Year	Social Contribution Investment (100 million KRW)
2021	12,000
2022	14,000
2023	16,000

c. Governance Domain

An ESG committee was newly established within the board in 2021, ESG committee activities were strengthened in 2022, and ESG committee operations were strengthened in 2023. In terms of risk management education, a comprehensive and systematic risk management system and strategy were implemented in 2021, and risk management-related training hours have gradually increased.

Table 19. Number of ESG-Related Committees, KB Financial Group.

Year	Number of ESG-Related Committees
2021	1
2022	2
2023	3

Table 20. Risk Management Training Hours and ESG Training Rate for Key Managers, KB Financial Group.

Year	Risk Management Training Hours	ESG Training Rate for Key Managers (%)
2021	100	75%
2022	120	80%
2023	140	85%

(3) Conclusions and Implications

KB Financial Group has been achieving steady results in the environmental, social, and governance sectors through sustainability management reports over the past three years. The following three key points are evaluated to have had positive impacts.

- **Carbon Emission Reduction and Expansion of Renewable Energy Use:** Reducing carbon emissions each year and increasing the proportion of renewable energy use demonstrates efforts to meet environmental needs.
- **Expansion of Social Contribution:** Continuously improving climate change response strategies, increasing social contribution investments, and contributing to local communities and environmental protection.
- **Governance and Education Strengthening:** Strengthening ESG committee operations and strengthening internal control and responsible management through a comprehensive and systematic risk management system and strategy.

4. Strategic Suggestions

As the importance of ESG management increases, the focus is on practicing corporate sustainability and responsible management. ESG stands for Environment, Social, and Governance, simultaneously targeting improvement of corporate financial performance and creation of social value. Each financial group has its own ESG management strategy and is making efforts for climate response and carbon neutrality. However, objective comparison is difficult due to differences in carbon emission measurement standards and diversity in ESG evaluation standards. This suggests that more efforts are needed by investors and consumers to obtain objective and fair information.

In green finance (Environment), identifying and investing in eco-friendly projects and reviewing various programs for carbon emission reduction can be considered. Specific methods include, for example, restricting financing of coal projects through a coal exit declaration or expanding ESG bond issuance.

In mutual growth finance (Social), strengthening cooperation with local communities and considering the introduction of programs for consumer protection can be considered. For example, consumer risk management committees can be established, or joint branches and convenience store banks can be operated.

In ethical finance (Governance), to realize transparent decision-making and responsible management, ESG bond issuance can be expanded and social ventures for solving social problems can be fostered.

In applying ESG strategies, policies have been established and implemented from the standpoint of implementing the bank’s overall policies, but in continuously designing and applying policies, from now on, it will be necessary to understand customer tendencies and consider them in planning ESG products.

It will be necessary to develop and provide financial products that can increase the sustainability of individual companies when customers subscribe to ESG products and use services, as well as to seek improvement of products and operating environments that can increase sustainability within existing products.

5. Conclusions and Implications

5.1. Summary and Conclusions

(1) Importance of ESG Management Strategy

All four major financial groups (KB, Shinhan, Hana, and Woori) emphasize the importance of ESG management strategy. They focus on practicing the company’s mid-to-long-term growth and responsible management through overall sustainability management including environment, social, and governance.

(2) Differences in ESG Management Strategy

- **KB Financial Group** adopted 'sustainable management' as a major task, meaning an enterprise-wide sustainability management strategy encompassing environment, social, and governance.
- **Shinhan Financial Group** adopted 'risk management reinforcement' as a major task, aiming to manage financial risks and increase trustworthiness through transparent management.
- **Hana Financial Group** adopted 'digital financial service strengthening' as a major task, aiming to improve customer services using digital technology and build a digital financial environment.
- **Woori Financial Group** adopted 'ethical and law-abiding management strengthening' as a major task, aiming to strengthen ethical management and increase trustworthiness through legal compliance.

(3) Climate Response and Carbon Neutrality

Each financial group is making efforts for climate response and carbon neutrality. However, since carbon emission measurement standards differ, simple comparison is difficult. Shinhan Financial Group recorded the highest carbon emissions as of 2023, but KB Financial Group discloses figures measured on a 2022 basis, making direct comparison difficult.

(4) Contents of ESG Reports

In the case of carbon emissions, Shinhan Financial Group and KB Financial Group had the highest financial emissions from investments and loans, measured at 55.96 million tCO_2eq for Shinhan Financial Group and 49.24 million tCO_2eq for KB Financial. In terms of energy usage, Hana Bank and Woori Bank showed decreases in energy usage, while Shinhan Bank showed an increase. Hana Financial Group adopted 'digital financial service strengthening' as a major task. In terms of governance (G), Shinhan Financial Group adopted 'risk management reinforcement' as a major task.

(5) ESG Management Performance Evaluation

Each financial group has different ESG evaluation standards, with some following the standards of the International Sustainability Standards Board (ISSB) and others following the Task Force on Climate-related Financial Disclosures (TCFD) standards. The four major financial groups analyze both the impact of social-environmental issues on corporate finance and the impact of corporate management activities on the social environment through Double Materiality assessments. Major issues include climate change response, mutual growth finance, and digital financial service strengthening.

(6) Disclosure Standards for ESG Reports

All four major financial groups utilized four or more international sustainability reporting standards including UN SDGs, GRI, SASB, and TCFD, and all financial groups included materiality assessment items in their reports and specified third-party verification opinions.

(7) Conclusion

The commonalities in the sustainability reports of the four major financial groups are that they emphasize the importance of ESG management strategy and climate response and carbon neutrality efforts. Each financial group is strengthening various ESG elements including environment, social, and governance. However, direct objective comparison of each financial group is difficult due to differences in carbon emission measurement standards and diversity in ESG evaluation standards. This suggests that investors and consumers need to make more efforts to obtain objective and fair information.

5.2. Implications

Since the introduction of ESG, the four major financial groups (KB, Shinhan, Hana, and Woori) have been establishing and implementing policies with direction in the areas of environment, social, and governance. Although the policy directions pursued by each financial group differ, they demonstrate the importance of ESG management strategy. Policy tasks are changing according to ESG strategies, and interest is paid to climate environment such as climate response and carbon emission reduction, so that they do not simply exist as guidelines but show empirical results such as carbon emission reductions. The diversity of carbon emission measurement standards and ESG evaluation standards suggests that efforts to establish uniform standards are needed in order to provide objective and fair information to investors and consumers.

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