2023

KOREA ESG FINANCE WHITE PAPER

kosif Korea Sustainability Investing Forum

Byoung Dug Min,
Member of the National Assembly of Korea

Korea Sustainability Investing Forum

www.kosif.org

KoSIF (Korea Sustainability Investing Forum), established as a non-profit organization in 2007, is dedicated to fostering sustainable developments through the advancement of socially responsible investment (SRI). The organization engages in a wide range of activities, including SRI research and development, public awareness campaigns, policy development and legislative advocacy. The organization also took the lead in establishing the CDP Korea Committee to encourage environmental responsiveness among financial institutions and corporations in Korea. In addition, KoSIF plays a pivotal role in promoting global initiatives, such as TCFD, PCAF, RE100, EV100, and SBTi-across Korean financial and corporate sectors.

Byoung Dug Min, Member of the Democratic Party of Korea

Byoung Dug Min is currently serving his second term as a member of the National Assembly, where he has been an active member in the National Assembly's Political Affairs Committee for over five years. He holds a bachelor's degree in political science from Seoul National University and previously served as the head attorney at the law firm Minbon. In 2014, he led the legal support team for Won Soon Park's Seoul mayoral campaign and was elected to the National Assembly in 2020. Assemblyman Min is dedicated to creating a sustainable and just society by promoting fair distribution through a balance of power between the strong and weak-an approach he sees as the foundation for innovation. In the 22nd National Assembly, he continues to spearhead efforts to revitalize Korea's financial markets through legislative initiatives in the capital markets and financial investment sectors.

In preparation for the ESG Finance White Paper, he requested and collected data on the status of ESG finance from public and private institutions, securing the necessary materials for the report.

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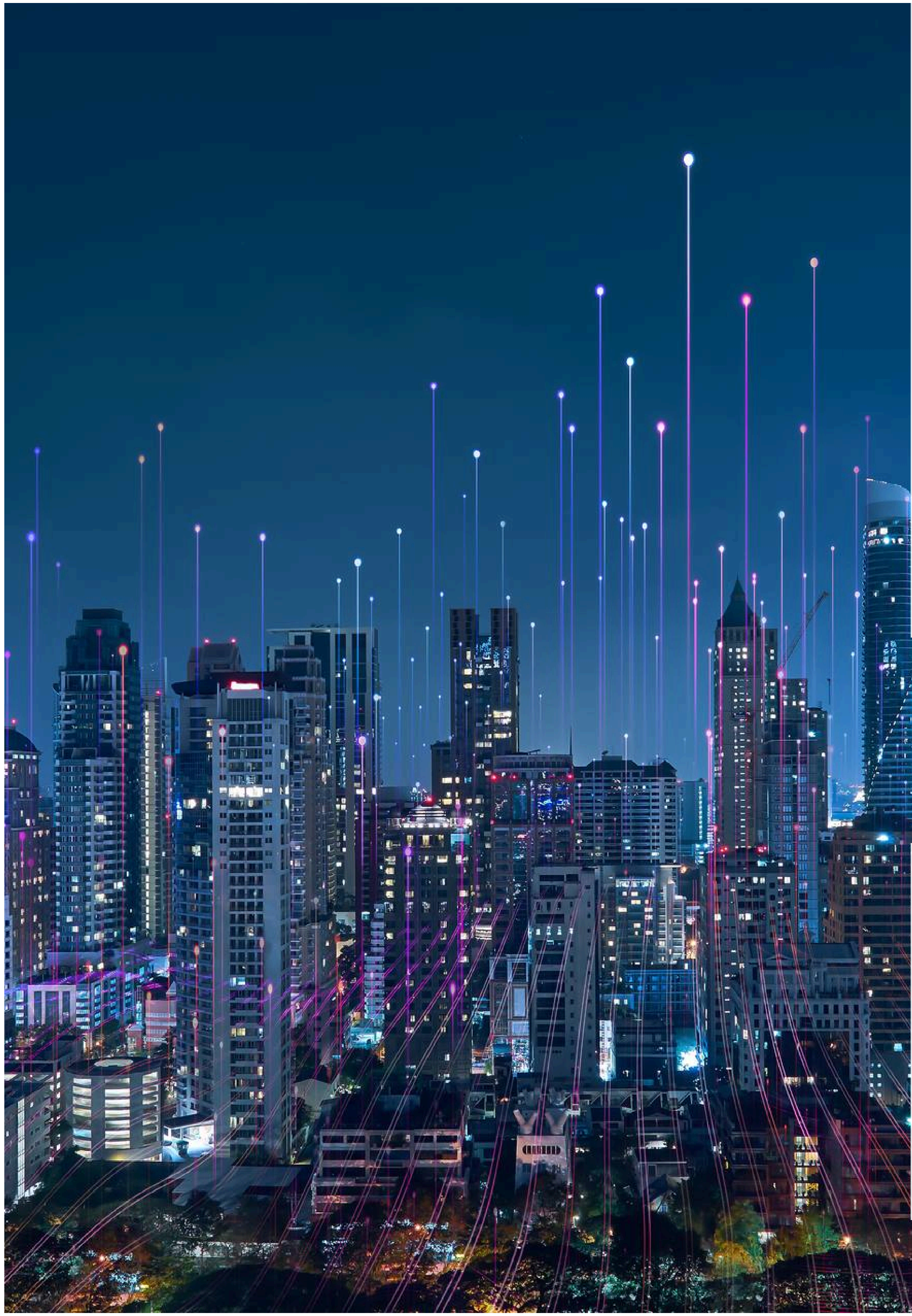


Contents

| Survey Overview |

- **Survey Scope:** Public and Private Financial Institutions in Korea: (Public-66, Private-90)
- **Survey Methods:**

(Public) Surveys were sent to the main authorities of the public financial institutions through the office of Congressman Byoung Dug Min of the National Assembly

(Private) Data was requested from the Financial Supervisory Service (FSS) through the office of Congressman Byoung Dug Min of the National Assembly and the FSS collected data from each financial institution

- **Survey Period:** August to October 2024
- **Survey Contents:** (As of the end of 2023) Asset status, annual ESG financial status, ESG loan status, ESG investment (socially responsible investment) status, ESG financial product status, ESG bond issuance status, ESG financial goals, and initiatives to promote ESG systems
- **Additional Data Research:** ESG public offering funds were compiled based on data from Korea Fund Ratings

Preface

Preface

Chairman of KoSIF
Youngho Kim

With the inauguration of a second Trump administration, global attention is once again focused on the future of ESG.

From the U.S. withdrawal from the Paris Climate Agreement and the rollback of DE&I (Diversity, Equity, and Inclusion) policies to the slogan "Drill, baby, drill" promoting fossil fuel exploration, the surge in anti-ESG sentiment has been evident. Major corporations and financial institutions have begun pulling out of ESG-related initiatives or have chosen to remain silent a phenomenon often referred to as "ESG hushing." These developments, particularly in the United States, have led some to suggest that the future of ESG is not so bright.

Others, however, argue that while Trump's anti-ESG stance may slow progress, it is unlikely to reverse the broader global momentum. This perspective is grounded in the growing institutional infrastructure for ESG such as mandatory disclosure regulations led by the European Union and the massive capital flows into technologies that support carbon neutrality and sustainable economic activities.

The clash between ESG and anti-ESG forces calls for a level-headed, long-term perspective in South Korea. We must take into account three key considerations. First, the EU remains steadfast in its ESG commitments. Second, the Trump administration, like any administration, is temporary. And third, both the EU and the U.S., even under anti-ESG leadership, may still leverage ESG-related issues such as climate and human rights as trade barriers. In fact, under the growing trend of protectionism and de-globalization, both powers are likely to continue integrating ESG concerns into their trade policies. The EU's Carbon Border Adjustment Mechanism (CBAM), scheduled for full implementation in 2026, and the U.S. Clean Competition Act (CCA), along with ongoing discussions about carbon taxes, are illustrative cases.

South Korea's economy is highly dependent on exports, with major markets in China (19.5%), the United States (18.7%), the EU (10%), and Japan (4.3%) as of 2024. For this reason, Korea must pursue ESG with a long-term view, regardless of global political shifts and ensure that capital continues to be mobilized through the expansion of ESG finance.

In this context, the Korea Sustainability Investing Forum (KoSIF) has published the '2023 Korea ESG Finance White Paper'. ESG finance in Korea surpassed KRW 1,000 trillion in 2021, reached KRW 1,500 trillion in 2022, and approached KRW 1,900 trillion by the end of 2023. While ESG washing remains a concern, these figures reflect a positive progress. A five year analysis (2019–2023) of ESG finance including ESG investments, ESG loans, ESG bonds, and ESG financial products shows steady growth across all segments. Public finance, the National Pension Service (NPS), and institutional ESG investment have been the primary drivers of this growth. Although ESG finance in the private sector is also steadily expanding, Korea may benefit from turning the global anti-ESG movement into an opportunity for domestic ESG finance development.

Structural transformation without major capital reallocation is nearly impossible. It is our hope that policymakers will use this White Paper as a foundation to further expand and enhance the quality of ESG finance through appropriate institutional mechanisms. KoSIF remains committed to facilitating the flow of capital into a sustainable economy, thereby ensuring that Korean companies and financial institutions can remain competitive, even in the face of mounting global anti-ESG pressures.

Co-Chair of the
National Assembly ESG Forum, Member of the
National Assembly (Democratic party of Korea
Dongan-gu Gap, Anyang City)

Byoung Dug Min

Greetings,

I am Byoung Dug Min, Co-Chair of the National Assembly ESG Forum, a member of the Political Affairs Committee, and a National Assembly member representing Dongan-gu, Anyang-si, Gyeonggi Province with the Democratic Party of Korea.

Last summer, Korea experienced record breaking heat. Even after Chuseok, daytime temperatures exceeded 30°C, and tropical nights continued later into the season than ever before. In November, a historic snowstorm, the heaviest in 117 years, paralyzed the country. As extreme weather events like these become more frequent, many citizens are increasingly recognizing that the climate crisis is a real and immediate threat, and that the world ahead will be fundamentally different from the past.

The climate crisis transcends political boundaries. Heatwaves, torrential rains, and unseasonal snowfalls affect all people, regardless of political affiliation. This is precisely why we launched the National Assembly ESG Forum last October with bipartisan leadership, one co-chair from each major party. It reflects the shared understanding that all citizens, bound by the same climate, are stakeholders in the climate crisis.

In this context, ESG (Environmental, Social, and Governance) values are no longer optional, but essential. While profit seeking may be a core function of business, the very premise of business loses meaning in an unsustainable world.

However, to encourage companies to adopt more proactive ESG management, we must provide catalytic support. As of the end of 2023, the total volume of ESG finance in Korea reached KRW 1,882.8 trillion marking a 213.3% increase since 2019.

Notably, the National Pension Service (NPS) has played a significant role in leading the public sector ESG finance, with its ESG investments reaching KRW 587.2 trillion by the end of 2023, an increase of 52.9% from the previous year.

However, clear limitations remain. As of the latest assessment, one in four financial institutions has yet to establish specific ESG finance targets. Concerns also persist regarding the National Pension Service's ESG integration policy for responsible investment, particularly the lack of transparency in evaluation methods and modeling results for internally managed assets, as well as the potential for ESG washing due to overstatement of delegated investment figures.

This marks the fourth edition of the ESG Finance White Paper. While progress may appear gradually, I believe the consistent publication of this White Paper has contributed meaningfully in shaping the broader ESG landscape in Korea. It serves not only as a record of past achievements but also as a valuable reflection on the challenges.

As ESG discourse continues to evolve, I will remain committed, both within and beyond the National Assembly, to ensure that these important conversations stay on course and retain momentum. Thank you.

Executive Summary

Executive Summary

Overall Status of ESG Finance

Total value of ESG Finance

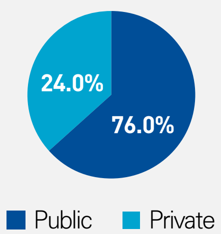
ESG Finance Volume

KRW 1,882.8 trillion

213.3% Growth

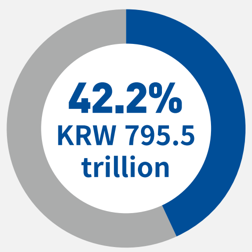
Compared to 2019

Breakdown by Sector



- As of the end of 2023, the total volume of ESG financing by domestic financial institutions responding to the survey reached KRW 1,882.8 trillion, reflecting continuous growth over the past five years. This represents a 213.3% increase compared to 2019.
- The primary driver of ESG finance growth in 2023 was the public sector, which recorded KRW 1,430.6 trillion. The public sector saw a 30.2% increase compared to the previous year, with the National Pension Service (NPS) showing a particularly notable performance, achieving a 52.9% year-on-year growth. The private sector also contributed to the overall expansion, recording a 12.3% growth rate from the previous year, mainly due to increased loan activity in the banking sector.
- A breakdown by type shows that i) ESG Investment (SRI) accounted for the largest share at KRW 795.5 trillion, representing 42.2% of total ESG finance. This was followed by ii) ESG loans at KRW 761.8 trillion (40.5%), iii) ESG bond issuance at KRW 244.7 trillion (13.0%), and iv) ESG financial products at KRW 80.7 trillion (4.3%).
- The growth of Korea's ESG finance market is largely attributed to the expansion of ESG investments led by major financial institutions, institutional investors, and pension funds. This trend reflects both the financial authorities' policy direction to promote ESG investment and the growing recognition of its importance across the financial sector.
- Looking at each ESG pillar excluding the National Pension Service (NPS) and ESG bond issuance, the Social (S) pillar accounted for the largest share, totaling KRW 786.6 trillion (74.9%). This was followed by the Environmental (E) pillar at KRW 173.9 trillion (16.5%), and ESG integrated[1] finance at KRW 86.8 trillion (8.3%). The Governance (G) pillar was minimal, standing at just KRW 3.6 trillion (0.3%), highlighting the dominance of social related finance within the current ESG landscape.

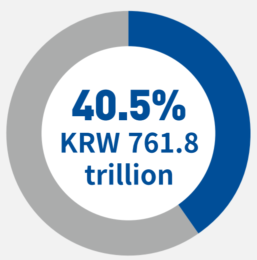
ESG Finance Size by Type



The Share of ESG Investment within total ESG Finance Volume

ESG Investment

- The ESG investment volume of domestic financial institutions reached KRW 795.5 trillion in 2023, marking a 43.2% increase compared to the previous year. This sharp growth is largely attributed to the inclusion of overseas equities amounting to KRW 138.5 trillion, directly managed by the National Pension Service (NPS), in the ESG investment category.
- By asset type, equities accounted for KRW 482.5 trillion, followed by bonds at KRW 282.0 trillion, and alternative investments at KRW 31.0 trillion. Compared to the previous year, equity investments rose by 74.0%, while bond investments increased by 12.9%.

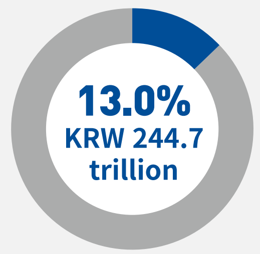


The Share of ESG loans within total ESG finance

ESG Loan

- The ESG loan volume of domestic financial institutions stood at KRW 761.8 trillion in 2023, representing a 12.9% increase from the previous year.
- By loan type, personal loans accounted for KRW 452.9 trillion (59.4% of total ESG loans), corporate loans for KRW 268.5 trillion (35.2%), project financing for KRW 34.7 trillion (4.6%), and sustainability-linked loans for KRW 5.8 trillion (0.8%). Notably, 93.1% of personal loans, or KRW 421.6 trillion, were provided by the Korea Housing Finance Corporation through home loan programs and housing guarantees.
- By ESG pillar, the Social (S) pillar accounted for KRW 615.5 trillion (80.8%), followed by the Environmental (E) pillar at KRW 115.8 trillion (15.2%), and ESG-integrated loans at KRW 30.4 trillion (4.0%).

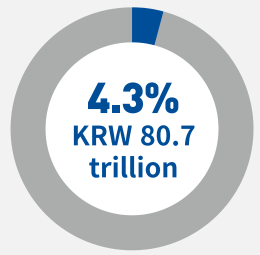
1. Types combining two or more Environmental (E), Social (S) and Governance (G)



The Share of ESG bond issuance in total ESG finance

ESG Bond Issuance

- ESG bond issuance refers to the issuance of special purpose bonds aimed at raising funds for projects aligned with Environmental (E), Social (S), and Governance (G) objectives.
- In 2023, the total volume of ESG bonds issued in South Korea reached KRW 244.7 trillion, representing a 24.3% increase compared to the previous year.
- By bond type, social bonds accounted for KRW 211.6 trillion, green bonds for KRW 17.8 trillion, and sustainability bonds for KRW 15.3 trillion.
- The predominance of social bonds is mainly due to the significant volume of housing fund related bonds issued by the Korea Housing Finance Corporation (HF), which amounted to KRW 146.1 trillion.

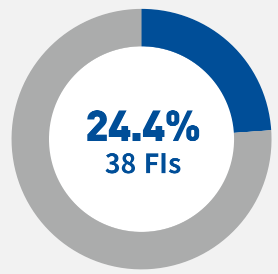


The Share of ESG Financial Products in total ESG finance

ESG Financial Product

- ESG financial products refer to various deposit and investment offerings designed to promote ESG practices by providing incentives such as preferential interest rates, insurance premium discounts, or mileage accumulation linked to the customer's ESG related activities. These products accounted for 4.3% of the total ESG finance volume.
- In 2023, the total volume of ESG financial products reached KRW 80.7 trillion, representing a 9.1% increase compared to the previous year.
- By product type, deposits and savings accounted for KRW 44.3 trillion, insurance for KRW 20.2 trillion, funds for KRW 8.3 trillion, and cards for KRW 7.8 trillion. Growth in deposits/savings (12.3%) and insurance (10.6%), which together make up 80% of ESG financial products, was the main driver of this year's overall expansion.

ESG Financial Targets

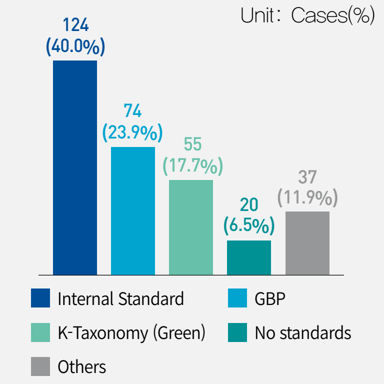


Setting ESG Financial Targets

- Out of the 156 financial institutions that responded to the survey, 38 institutions (24.4%) reported having established ESG financial targets. This marks a decline from 44 institutions (26.6%) in 2021 and 45 institutions (26.3%) in 2022.
- Regarding the basis for setting targets, 14 institutions used the "outstanding balance", 10 selected "other" criteria, 9 used the "target year input amount," and 5 used the "cumulative input amount" method.
- However, due to differences in target years and criteria across institutions, direct comparisons remain difficult.
- The findings highlight the need for standardized ESG financial target setting guidelines, as well as institutional frameworks such as incentives and systems to support and encourage target achievement.

Status of Green Loans by Private Banks

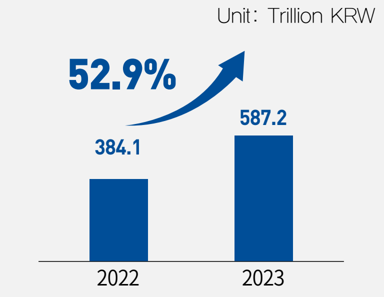
Classification Framework for Green Loans
(As of the End of 2023)



- In December 2024, the government introduced the Green Lending Management Guidelines, while some private banks had already implemented their own green lending suitability assessment processes prior to the guidelines.
- As of the end of 2023, the total green loan balance of 12 private banks amounted to KRW 31.7 trillion, accounting for 1.9% of their total loan assets.
- A key obstacle to the expansion of green loans has been the absence of clear standards and guidelines.
- Among 310 green loan reviews conducted, banks most frequently applied their own internal criteria (124 cases, 40.0%), followed by the Green Bond Principles (74 cases, 23.9%) and the green sector criteria under the Korean Green Taxonomy (55 cases, 17.7%).
- Major challenges in operating green loans include the difficulty in determining whether an economic activity qualifies as "green", as well as challenges in comparing green lending performance across financial institutions.
- To promote the expansion of green loans, it is necessary for financial authorities to consider establishing a training system to support institutions in developing screening processes for evaluation and to establish standardized criteria for measuring green lending performance.

ESG Investment by the NPS

ESG Investment Volume



- In 2023, the NPS's responsible investment portfolio reached KRW 587.2 trillion, marking a 52.9% increase from the previous year.
- This expansion is attributed to the "ESG Integration Policy" outlined in the "Responsible Investment Activation Plan" approved by the NPS in 2019. The share of responsible investments in the NPS's total assets under management has shown steady growth, rising from 13.7% in 2021 to 43.1% in 2022 and 56.7% in 2023.
- However, the ESG integration evaluation framework developed by the NPS is currently limited to directly managed domestic equities and bonds. In addition, the results of ESG assessments and models are not publicly disclosed.
- To further advance ESG investment, the NPS should consider expanding the range of asset classes subject to ESG evaluation, disclosing its evaluation framework, and establishing clear standards and monitoring processes that enable external asset managers to conduct robust engagement with investee companies. The NPS should also actively require ESG-related disclosures from its investee companies.

Overall Status of ESG Finance in Korea

Overall Status of ESG Finance in Korea

Total ESG Finance Volume in Korea

Table 1 Details of ESG Financial Balance by Year

Unit: Trillion KRW

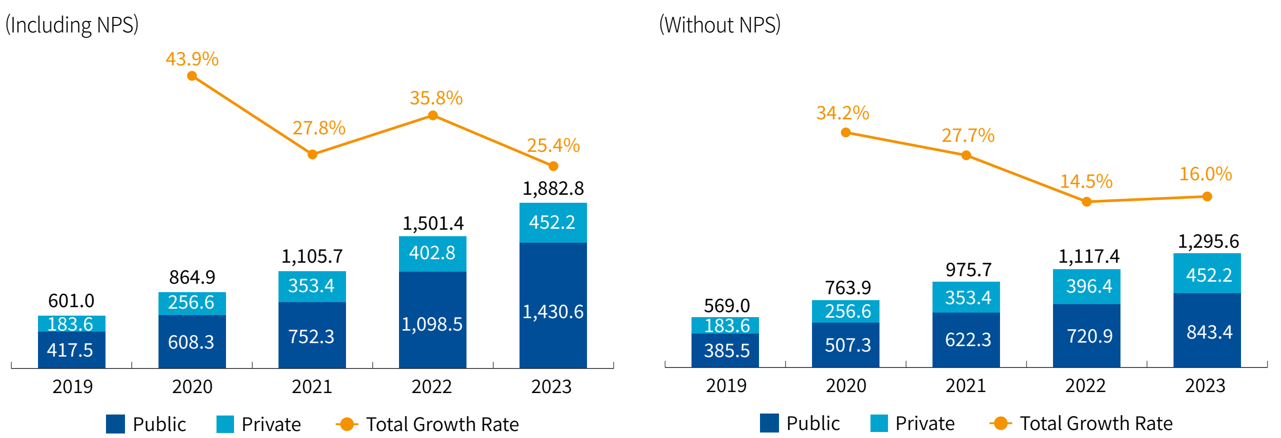
	ESG Investment			ESG Loan			ESG Bond Issuance			ESG Financial Products			Total		
	Public (NPS)	Private	Subtotal	Public	Private	Subtotal	Public	Private	Subtotal	Public	Private	Subtotal	Public (NPS)	Private	Total
2023	631.5 (587.2)	164.1	795.5	574.1	187.8	761.8	214.8	29.9	244.7	10.3	70.4	80.7	1,430.6 (587.2)	452.2	1,882.8 (587.2)
2022	415.8 (384.1)	139.8	555.6	502.2	172.8	674.9	171.4	25.4	196.8	9.2	64.8	74.0	1,098.5 (384.0)	402.8	1,501.4 (384.0)
2021	152.8 (130.2)	123.0	275.8	449.7	142.3	592.0	143.7	19.9	163.6	6.2	68.2	74.4	752.3 (130.0)	353.4	1.105.7 (130.2)
2020	114.7 (101.4)	80.0	194.7	399.2	106.3	505.5	90.0	9.8	99.8	4.4	60.5	64.9	608.3 (101.0)	256.6	864.9 (101.0)
2019	38.9 (32.2)	40.6	79.6	342.2	82.3	424.4	29.6	4.9	34.4	6.8	55.8	62.6	417.5 (32.0)	183.6	601.0 (32.2)

As of the end of 2023, the total volume of ESG finance reported by domestic financial institutions that responded to the survey was KRW 1,882.8 trillion, reflecting a 25.4% increase from KRW 1,501.4 trillion in 2022. The main driver of this growth was the NPS, which recorded a 52.9% increase compared to 2022.

- As of the end of 2023, the total volume of ESG finance reported by domestic financial institutions that responded to the survey reached KRW 1,882.8 trillion, representing a 25.4% increase from KRW 1,501.4 trillion in 2022. This figure also reflects sustained growth over the past five years, with a cumulative increase of 213.3% compared to 2019.
- The primary driver of ESG finance growth in 2023 was the public sector, which accounted for KRW 1,430.6 trillion, an increase of 30.2% from the previous year (equivalent to a growth of KRW 332.2 trillion).
- In particular, the National Pension Service (NPS) recorded KRW 587.2 trillion in responsible investments in 2023, continuing its sharp growth with a 52.9% increase from the previous year. This surge is attributed to the reclassification of foreign direct equity investments (KRW 138.5 trillion) as responsible investments, following the NPS's 2022 policy to expand the scope of responsible investment asset classes. This policy was a follow-up to the "Responsible Investment Promotion Plan" approved by the NPS in 2019.
- Even when excluding the NPS, the ESG finance volume of domestic financial institutions reached KRW 1,295.6 trillion, reflecting a 16.0% increase compared to the previous year. Both the public and private sectors saw growth, recording increases of 17.0% and 14.1%, respectively.
- This continued expansion of South Korea's ESG financial market reflects both the financial authorities' policy direction toward promoting ESG investments and a growing recognition of ESG's importance within the financial sector. This trend has been driven primarily by the active participation of major financial institutions, institutional investors, and pension funds.

Graph 1 Annual Growth Trends of ESG Finance Balance

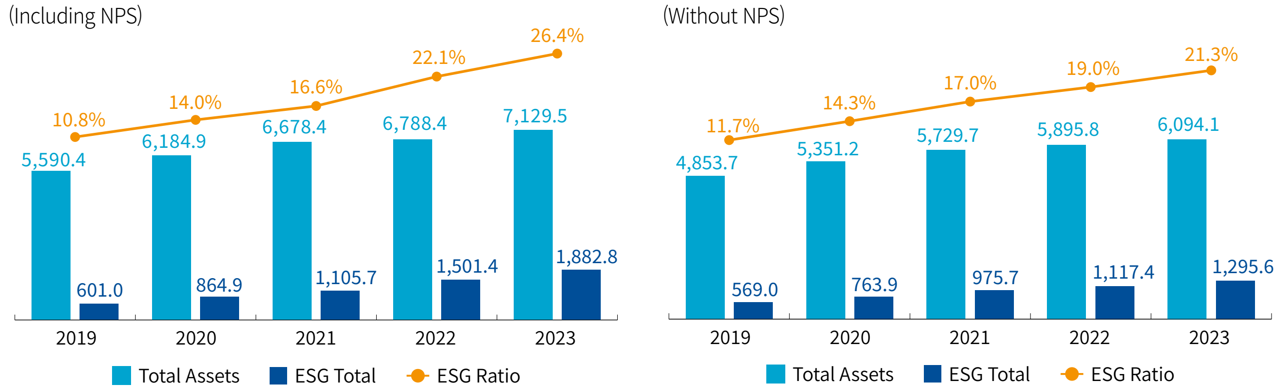
Unit: Trillion KRW



- In 2023, the total volume of ESG finance by domestic financial institutions, including the NPS, accounted for 26.4%[2] of total assets, which stood at KRW 7,129.5 trillion. This represents a 4.3% increase from 22.1% in the previous year, continuing a steady upward trend.
- Excluding the NPS, ESG finance accounted for 21.3% of total assets, lower than the 26.4% recorded when including the NPS. However, this still marks a significant increase from 11.7% in 2019, indicating a consistent upward trend in ESG adoption across the financial sector.

Graph 2 Proportion of ESG Financial Assets relative to Total Assets

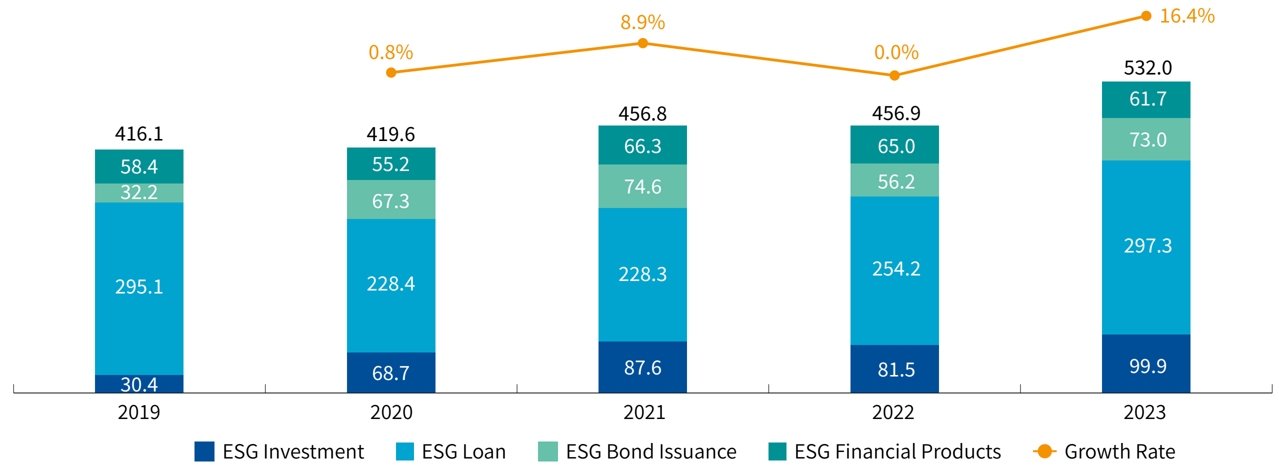
Unit: Trillion KRW



- The newly executed amount of ESG finance by domestic public and private financial institutions, excluding the NPS in 2023, was KRW 532.0 trillion, a 16.4% growth compared to KRW 456.9 trillion in 2022.
- By type, ESG loans accounted for the largest portion at KRW 297.3 trillion, representing 55.9% of the total newly executed ESG finance. This was followed by ESG investment at KRW 99.9 trillion (18.8%), ESG bonds at KRW 73.0 trillion (13.7%), and ESG financial products at KRW 61.7 trillion (11.6%).
- ESG loans recorded a 17.0% year-on-year increase. Of the KRW 297.3 trillion newly executed ESG loans, 87.0% were personal loans (KRW 140.5 trillion) and corporate loans (KRW 117.6 trillion) issued by the HF.
- Although the National Pension Service (NPS), which accounts for over 73.8% of the total ESG investment volume, did not provide data on its new investments—leading to a relatively low share of newly executed ESG investments—the overall ESG investment volume still rose by 22.6% compared to 2022, with growth seen across equities, bonds, and alternative assets.
- New issuance of ESG bonds also showed a strong increase of 30.0% year-on-year. By bond type, social bonds accounted for the vast majority at KRW 67.8 trillion (92.9%), followed by green bonds at KRW 3.3 trillion (4.5%) and sustainability bonds at KRW 1.9 trillion (2.6%).
- ESG financial products, which made up 11.6% of the total newly executed ESG finance, recorded a 5.1% decline from 2022. This was mainly due to the relatively sluggish growth in newly issued deposit and savings products compared to the previous year.

Graph 3 Detailed Annual Breakdown of Newly Executed ESG Finance

Unit: Trillion KRW



2. The calculation of ESG finance volume may include some overlapping values, particularly in areas such as entrusted assets, bond issuance, and underwriting.

ESG Finance Volume by Type

Table 2 Standard and Proportion of ESG Finance Type Classification (As of the end of 2023)

Type	Details	Amount (KRW trillion)	Proportion
ESG Investment	Equity, Bond, Alternative Investment	795.5	42.2%
ESG Loan	Corporate Loan, Individual Loan, PF	761.8	40.5%
ESG Bond Issuance	Green, Social, Sustainable, Sustainability-linked	244.7	13.0%
ESG Financial Product	Insurance, Deposit and Installment saving, Card, Fund (Retail)	80.7	4.3%

As of the end of 2023, the breakdown of ESG finance by type is as follows: i) ESG investment (socially responsible investment) at KRW 795.5 trillion (42.2% of the total ESG finance), ii) ESG loans at KRW 761.8 trillion (40.5%), iii) ESG bond issuance at KRW 244.7 trillion (13.0%), and iv) ESG financial products at KRW 80.7 trillion (4.3%). Among these, ESG investment accounted for the largest share.

Total ESG Financial Volume

42.2%

Year-on-Year Growth Rate

43.2%

ESG Investment

- The total balance of ESG investment, which accounted for the largest share among all ESG finance types, stood at KRW 795.5 trillion as of the end of 2023. This included Equity investments of KRW 482.5 trillion (60.7% of total ESG investment), bond investments of KRW 282.0 trillion (35.4%), and alternative investments of KRW 31.0 trillion (3.9%).
- This represents a 43.2% increase from the previous year, largely driven by the sharp rise in responsible investment by the NPS, which accounted for 73.8% of the total ESG investment (KRW 384.1 trillion in 2022 to KRW 587.2 trillion in 2023).
- Even excluding the NPS, ESG investment reached KRW 208.4 trillion, marking a 21.5% increase year-on-year, with growth observed across all asset classes including equities, bonds, and alternative investments.

Total ESG Financial Volume

40.5%

Year-on-Year Growth Rate

12.9%

ESG Loan

- Individual loans totaled KRW 452.9 trillion, representing 59.4% of overall ESG loans. Corporate loans followed at KRW 268.5 trillion (35.2%), with project financing (PF) and sustainability-linked loans amounting to KRW 34.7 trillion (4.6%) and KRW 5.8 trillion (0.8%), respectively. In total, ESG loans reached KRW 761.8 trillion, with personal loans comprising the majority.
- Of this amount, KRW 434 trillion[3] or 57.0% was provided by the HF. When excluding HF loans, the remaining ESG loan balance was KRW 327.8 trillion, of which nearly 80% consisted of corporate lending.
- Compared to the previous year, ESG loan volume grew by 12.9% (or 12.8% excluding HF loans). Both public and private financial institutions contributed to this growth, with increases of 14.3% and 8.7%, respectively.

Total ESG Financial Volume

13.0%

Year-on-Year Growth Rate

24.3%

ESG Bond Issuance

- As of the end of 2023, the total balance of ESG bonds reached KRW 244.7 trillion. Social bonds made up the majority, accounting for 86.5% (KRW 211.6 trillion), followed by green bonds at 7.3% (KRW 17.8 trillion) and sustainability bonds at 6.2% (KRW 15.3 trillion).
- Of the total ESG bonds, 87.8% (KRW 214.8 trillion) originated from public financial institutions. Among these, 68.0% (KRW 146.1 trillion) were social bonds issued by the HF.
- The ESG bond market expanded by 24.3% compared to the previous year, with the public sector growing by 25.3% and the private sector by 17.6%. This growth reflects both the rising demand among investors for ESG-linked instruments and the appeal of ESG bonds as a relatively low-cost financing option in a high-interest rate environment.

3. As of the end of 2023, HF's loan portfolio consists of KRW 421.6 trillion in individual loans, KRW 6.5 trillion in corporate loans, and KRW 5.9 trillion in project finance.

Total ESG Financial Size

4.3%

Year-on-Year Growth Rate

9.1%

ESG Financial Product

- As of the end of 2023, deposits and savings accounted for the largest portion at KRW 44.3 trillion (54.9%), followed by insurance at KRW 20.2 trillion (25.1%), retail funds at KRW 8.3 trillion (10.3%), and cards at KRW 7.8 trillion (9.7%).
- Of the deposits and savings, 59.3% were held by NH NongHyup Bank, primarily supporting rural development and social contribution projects.
- The overall ESG financial product volume grew by 9.1% year-on-year, driven by increases in deposits, savings, and insurance.

ESG Finance Volume by Pillar

Table 3 Pillar Based ESG Classification (As of the end of 2023)

Unit: Trillion KRW

		E(Environmental)				S(Social)				G(Governance)				(ES/SG/ESG)[4]				Total
		Investment	Loan	Product	Total	Investment	Loan	Product	Total	Investment	Loan	Product	Total	Investment	Loan	Product	Total	
Public	Public Bank	3.1	64.2	1.8	69.1	13.0	30.5	0.1	43.7	0.0	0.0	0.0	0.0	1.7	9.9	0.5	12.1	124.8
	HF	0.0	0.0	0.0	0.0	0.0	421.6	0.0	421.6	0.0	0.0	0.0	0.0	0.0	12.4	0.0	12.4	434.0
	Others	2.8	10.5	1.5	14.8	3.3	24.8	3.9	32.0	0.2	0.0	0.0	0.2	20.1	0.0	0.0	20.1	67.1
	Subtotal	5.9	74.8	3.3	83.9	16.3	477.0	4.0	497.3	0.2	0.0	0.0	0.2	21.8	22.3	0.5	44.6	625.9
Private	Bank	7.3	31.7	3.6	42.6	73.7	132.3	38.4	244.4	1.9	0.0	0.3	2.2	14.5	5.8	8.6	28.9	318.1
	Life Insurance	11.4	4.7	0.0	16.1	20.1	3.7	1.9	25.7	0.6	0.0	0.0	0.6	1.4	2.2	0.0	3.6	46.1
	Non-Life Insurance	7.8	3.2	13.7	24.7	9.7	2.1	3.2	15.0	0.0	0.0	0.0	0.1	0.4	0.0	0.0	0.5	40.2
	Securities	3.3	1.3	1.4	6.1	3.3	0.5	0.6	4.4	0.5	0.0	0.0	0.5	4.8	0.0	1.4	6.2	17.1
	Asset	0.5	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0	2.9	3.5
	Subtotal	30.3	41.0	18.6	90.0	106.8	138.5	44.0	289.4	3.1	0.0	0.3	3.4	24.0	8.1	10.0	42.1	424.9
Total		36.2	115.8	21.9	173.9	123.1	615.5	48.0	786.6	3.3	0.0	0.3	3.6	45.8	30.4	10.5	86.7	1,050.8
Total excluding HF[5]		36.2	115.8	21.9	173.9	123.1	193.9	48.0	365.0	3.3	0.0	0.3	3.6	45.8	30.4	10.5	86.7	629.2

Excluding NPS and ESG Bond Issuance

As of the end of 2023, the Environmental (E) pillar accounted for KRW 173.9 trillion (16.5% of the total ESG finance volume). The Social (S) pillar made up KRW 786.6 trillion (74.9%), the Governance (G) pillar KRW 3.6 trillion (0.3%), and ESG Integration KRW 86.7 trillion (8.3%), with the social pillar representing a dominant share of the total.

E(Environmental) Pillar

- The private sector held a larger share of environmental finance, accounting for 51.7% (KRW 90.0 trillion), while the public sector accounted for 48.3% (KRW 83.9 trillion).
- Within the public sector, green loans provided by state owned banks Korea Development Bank (KDB), Export-Import Bank of Korea (KEXIM), and Industrial Bank of Korea (IBK) comprised 76.6% of the public sector's environmental finance and 36.9% of the total Environmental (E) finance.
- In the private sector, the largest portion of environmental lending came from loans offered by banks in various areas, such as policy backed loans, interest subsidy agreement loans, and loans extended to industries meeting internal ESG related criteria. These accounted for 35.3% of the private sector's Environmental (E) finance.

4. If two or more areas of E.S.G. are combined, they are classified as integrated ESG
5. HF: Korea Housing Finance Corporation
※ Due to limitations in ESG classification based on the survey responses, 'ESG bond issuance' and the total amount of the NPS's responsible investments were excluded from the analysis

S(Social) Pillar

- The Social (S) pillar accounted for 74.9% of total ESG finance, making it the most dominant component among the three ESG categories.
- A sectoral breakdown shows that the public sector was responsible for 63.2% (KRW 497.3 trillion) of social finance, significantly outweighing the private sector's 36.8% (KRW 289.4 trillion). The imbalance is primarily attributed to the HF, whose personal loan portfolio amounted to KRW 421.6 trillion, representing 84.8% of social pillar activities in the public sector and 53.6% of the social pillar overall.
- Even when excluding the HF, the Social pillar still accounts for KRW 193.9 trillion, or 53.1% of total ESG finance excluding the HF (KRW 365 trillion), maintaining its leading position.
- Despite the Social pillar's substantial share, a clearly defined standard is lacking. To prevent potential misclassification or misuse of "social" activities by financial institutions, there is an urgent need to establish a Korean Social Taxonomy that ensures clarity, consistency, and credibility.

G(Governance) & Integration (ESG)

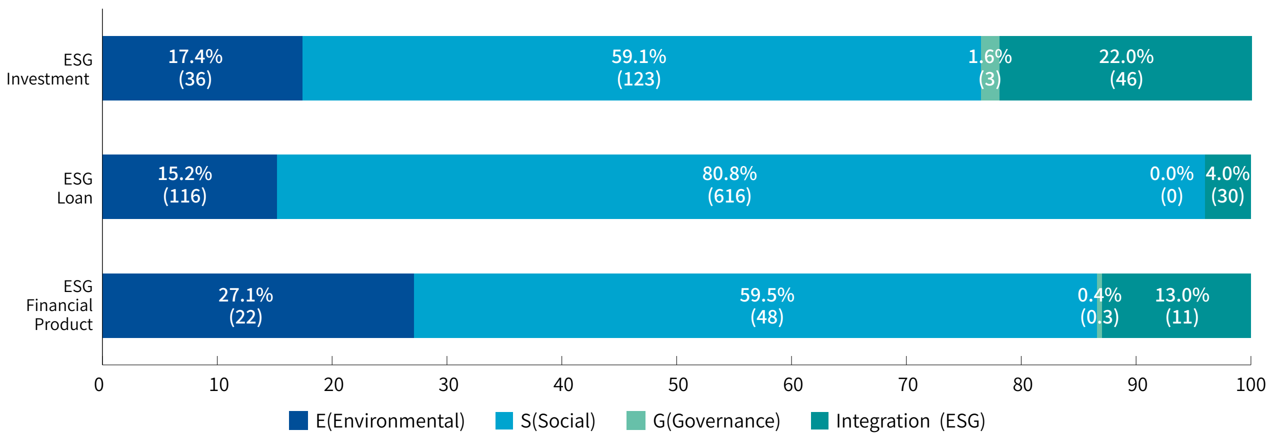
- The total volume of the Governance (G) pillar amounted to KRW 3.6 trillion, accounting for 0.3% of total ESG finance
- The integrated ESG sector, which consists of two or more areas such as E·S, E·G, S·G, and E·S·G, accounted for 8.3% (KRW 86.7 trillion) of total ESG finance. Of this, KRW 44.6 trillion (51.4%) came from the public sector, and KRW 42.1 trillion (48.6%) from the private sector.

Breakdown of ESG Pillars by Type of Finance

- ESG Investment
  - The total volume of ESG investment totaled KRW 208.4 trillion, and the distribution is as follows: Environmental (E): KRW 36.2 trillion (17.4%), Social (S): KRW 123.1 trillion (59.1%), Integrated ESG: KRW 45.8 trillion (22.0%), Governance (G): KRW 3.3 trillion (1.6%). The Social (S) pillar holds the largest share.
- ESG Loan
  - Out of the total ESG loan volume of KRW 761.8 trillion, the Social (S) pillar, including individual loans from the HF (KRW 421.6 trillion), accounted for KRW 615.5 trillion, representing 80.8% of the total. The Environmental (E) pillar and Integrated ESG pillar accounted for 15.2% and 4.0%, respectively.
  - When excluding the HF's total loan volume of KRW 434 trillion (including individual, corporate, and project finance loans), ESG loans amount to KRW 327.8 trillion. After excluding HF's total loans, the adjusted distribution shifts to: Social (S) 35.3%, Environmental (E) 59.2%, and integrated ESG 5.5%, highlighting a notable decline in the social pillar's share.
  - Due to the influence of the HF, public finance accounted for 75.4% (KRW 574.1 trillion) of total ESG loans, while private finance accounted for 24.6% (KRW 187.7 trillion).
- ESG Financial Product
  - Out of a total of KRW 80.7 trillion in ESG financial products, the distribution is as follows: Social (S) – 59.5% (KRW 48 trillion), Environmental (E) – 27.1% (KRW 21.9 trillion), Governance (G) – 0.4% (KRW 0.3 trillion), and ESG Integrated – 13.0% (KRW 10.5 trillion), with the Social pillar accounting for more than half of the total.
  - Given the characteristics of ESG products such as insurance, deposits, savings, credit cards, and retail funds, private financial institutions account for the vast majority, with a 90.5% share.

Graph 4 Proportion of ESG Pillars by Type

Unit: %/ Trillion KRW



ESG Finance Volume by Sector

Table 4 ESG Finance by Sector: Year-on-Year Comparison

Unit: Trillion KRW

		ESG Total		ESG Investment		ESG Loan		ESG Bond		ESG Financial Product	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Public	Public Bank	155.4	136.1	17.8	16.8	104.7	90.4	30.5	26.5	2.3	2.4
	NPS	587.2	384.1	587.2	384.1	-	-	-	-	-	-
	HF	581.3	497.4	1.1	0.7	434.0	384.3	146.1	112.4	-	-
	Others	106.7	80.9	25.2	14.2	35.4	27.5	38.1	32.4	8.0	6.8
	Subtotal	1,430.6	1,098.6	631.4	415.8	574.1	502.2	214.8	171.4	10.3	9.2
Private	Bank	341.5	300.7	97.4	79.3	169.8	154.4	26.9	23.3	47.3	43.7
	Life Insurance	47.8	44.0	33.5	29.0	10.7	12.7	1.7	0.9	1.9	1.4
	Non-Life Insurance	39.3	34.9	17.9	15.8	5.4	4.6	0.6	0.6	15.3	13.9
	Securities	20.3	19.4	11.9	12.0	1.9	1.0	0.7	0.6	5.8	5.9
	Asset	3.3	3.6	3.3	3.6	-	-	-	-	0.0	0.0
	Subtotal	452.2	402.8	164.1	139.8	187.8	172.7	29.9	25.4	70.4	64.8
Total		1,882.8	1,501.4	795.5	555.6	761.8	674.9	244.7	196.8	80.8	74.0
Total without NPS		1,295.6	1,117.4	208.4	171.6	761.8	674.9	244.7	196.8	80.8	74.0

In 2023, the ESG finance volume by sector was distributed as follows: KRW 1,430.6 trillion (76.0%) in the public sector and KRW 452.2 trillion (24.0%) in the private sector. This highlights the public sector's dominant share of the overall ESG finance landscape.

Public Sector | Volume: KRW 1,430.6 trillion | 76.0% of Total ESG Finance Volume | 30.2% Year-on-Year Growth

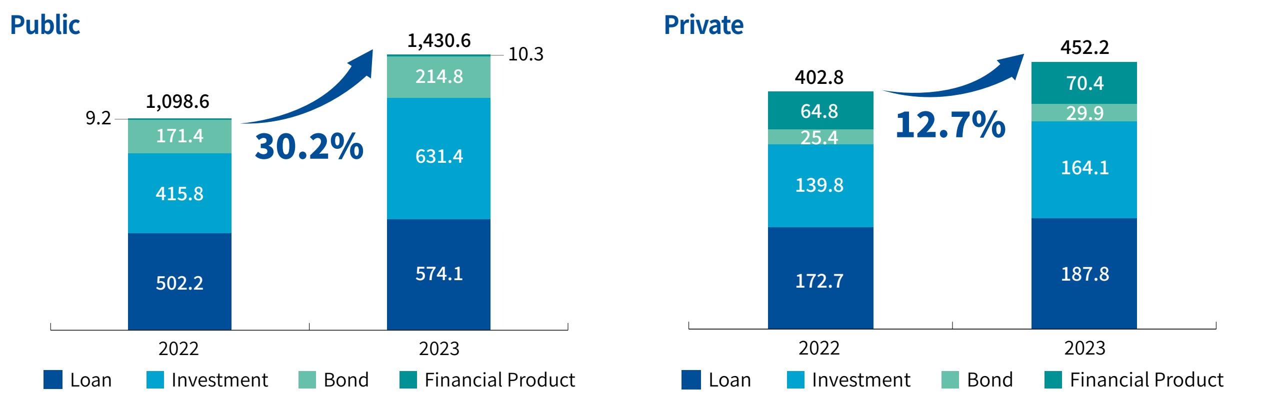
- In 2023, the volume of ESG finance in the public sector was 3.2 times larger than that of the private sector.
- The main drivers of this growth were the National Pension Fund and the HF, which together accounted for 81.7% of the public sector's ESG finance. The National Pension Fund increased by KRW 203.1 trillion, and the HF by KRW 83.8 trillion.
- Even excluding the National Pension Fund and the HF, the public sector's ESG finance reached KRW 262.2 trillion, up 20.8% from the previous year. This growth reflects the upward trends seen in other public financial institutions such as KDB (14.0% growth, KRW 72.9 trillion increase), IBK (20.8%, KRW 50.4 trillion), and KEXIM (5.5%, KRW 32.0 trillion).

Private Sector | Volume: KRW 452.2 trillion | 24.0% of Total ESG Finance Volume | 12.3% Year-on-Year Growth

- The banking sector, which accounts for the largest share of the private sector's ESG finance at 75.5%, recorded a strong growth rate of 13.5% compared to the previous year, driving the overall expansion of the private sector. Corporate loans from banks amounted to KRW 169.8 trillion, reflecting a 10.0% year-on-year increase and representing 90.4% of total ESG finance within the private sector.
- Following banks, non-life insurance companies, life insurers, and securities firms recorded growth rates of 12.6%, 8.5%, and 4.3%, respectively. In contrast, asset management companies experienced a decline of 8.4%.

Graph 5 Growth Rate by Sector

Unit: Trillion KRW



ESG Finance Status of Private Financial Group

Table 5 ESG Finance Volume by Type of Financial Group

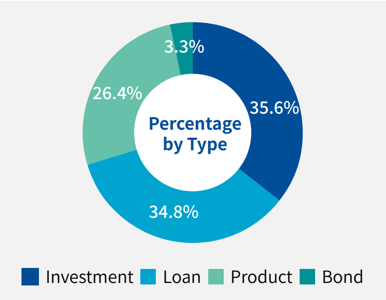
Unit: Trillion KRW

Financial Group	Total ESG Volume		ESG Investment		ESG Loan		ESG Financial Product		ESG Bond Issuance	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NH Financial Group (6)	116.7	120.9	41.5	30.7	40.6	58.5	30.8	28.9	3.8	2.8
Shinhan Financial Group (5)	79.2	48.5	13.2	10.7	57.7	29.4	2.5	3.9	5.8	4.5
KB Financial Group (4)	58.9	52.5	20.9	17.7	16.6	16.1	12.7	10.2	8.7	8.5
Hana Financial Group (2)	43.8	42.1	17.5	16.8	19.5	20.9	1.9	1.0	4.8	3.5
Woori Financial Group (2)	35.9	28.1	12.8	11.1	19.3	13.4	0.2	0.2	3.6	3.4
DGB Financial Group (4)	6.1	4.9	1.6	1.2	2.8	2.0	1.2	1.3	0.5	0.4
Total	340.5	297.1	107.5	88.1	156.5	140.2	49.3	45.6	27.2	23.2

At the end of 2023, the ESG finance volume of the six major financial groups reached KRW 340.5 trillion, marking a 14.6% increase from the previous year and accounting for 18.1% of total ESG finance. The proportion of ESG finance relative to the total assets of the six financial groups stood at 13.4%, up by 1.3% from 12.1% in 2022.

NongHyup Financial Group

NAFC | NH Bank | NH Life Insurance | NH P&C Insurance | NH Investment & Securities | NH-Amundi Asset Management

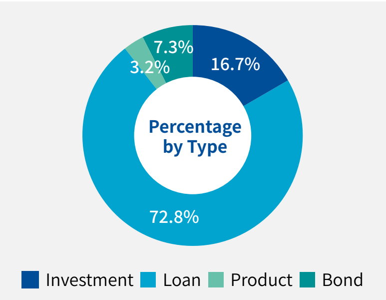


| Volume: KRW 116.7 trillion | -3.5% Year-on-Year Growth | 7.7% of total assets reported |

- Among private financial groups, NH NongHyup holds the largest volume of ESG finance. NH NongHyup Bank's ESG corporate loans decreased compared to the previous year, leading to a 3.5% decline in the group's total ESG finance.
- NH Bank accounts for 72.4% of the group's total ESG finance.
- By type, ESG investments were the largest category, totaling KRW 41.5 trillion, representing 35.6% of the financial group's total ESG finance. This was mainly driven by large volume social bonds amounting to KRW 20 trillion issued by the National Agricultural Cooperative Federation. This was followed by loans at KRW 40.6 trillion (34.8%), ESG financial products at KRW 30.8 trillion (26.4%), and bonds at KRW 3.8 trillion (3.3%).

Shinhan Financial Group

Shinhan Bank | Shinhan Life Insurance | Shinhan Securities | Shinhan Asset Management | Jeju Bank



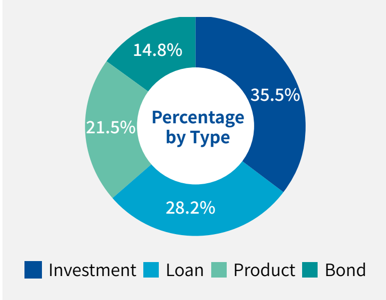
| Volume: KRW 79.2 trillion | Growth rate not availble[6] | 10.6% of total assets reported |

- The main driver of ESG finance growth within Shinhan Financial Group is Shinhan Bank, which holds 93% of the group's total ESG financial assets.
- By type, loans account for the majority of the group's ESG finance, totaling KRW 57.7 trillion (72.8%), followed by investments at KRW 13.2 trillion (16.7%), bonds at KRW 5.8 trillion (7.3%), and ESG financial products at KRW 2.5 trillion (3.2%).

6. Shinhan Bank reported ESG finance based on new issuance amounts until 2022 and switched to an outstanding balance from 2023. Due to this change in reporting methodology, the growth rate cannot be calculated. (Other institutions have reported based on outstanding balance consistently.)

KB Financial Group

KB Bank | KB Life Insurance | KB Insurance | KB Securities

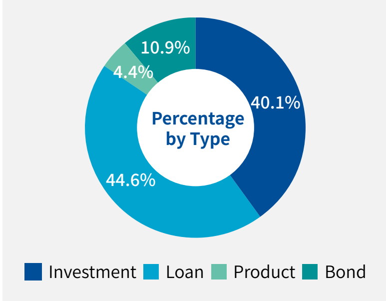


| Volume: KRW 58.9 trillion | +12.2% Year-on-Year Growth | 7.1% of total assets reported |

- KB Financial Group's ESG investments increased by 12.2% compared to the previous year.
- KB Kookmin Bank, which accounts for 87.0% of the group's ESG investments, led the overall growth of the group's ESG finance, recording an 11.8% increase compared to the previous year as ESG investment size grew in all categories.
- By type, ESG investments consisted of KRW 20.9 trillion (35.5%of the financial group's ESG finance), ESG loans at KRW 16.6 trillion (28.2%), ESG financial products at KRW 12.7 trillion (21.5%), and bonds at KRW 8.7 trillion (14.8%).

Hana Financial Group

Hana Bank | Hana Securities

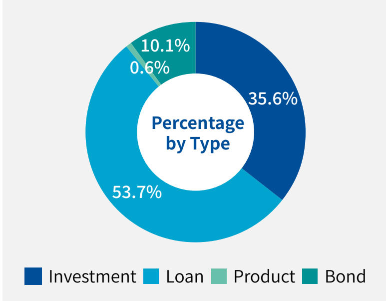


| Volume: KRW 43.8 trillion | +3.8% Year-on-Year Growth | 8.9% of total Assets reported |

- Hana Bank accounts for 97.0% of Hana Financial Group's ESG finance.
- Hana Bank's ESG finance grew by 3.8% compared to the previous year, driven by an increase in investment, despite a slight decline in loans.
- By type, loans amount to KRW 19.5 trillion (44.6% of the financial group's ESG Finance), investments at KRW 17.5 trillion (40.1%), bonds at KRW 4.8 trillion (10.9%), and financial products account for KRW 1.9 trillion (4.4%).

WOORI FINANCIAL GROUP

Woori Bank | Woori Asset Management

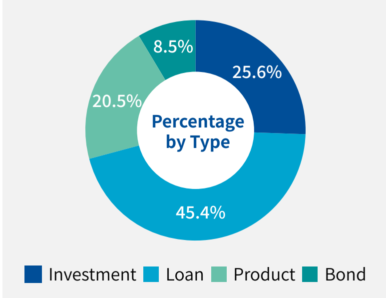


| Volume: KRW 35.9 trillion | +27.7% Year-On-Year Growth | 7.7% of total Assets reported |

- Woori Financial group's ESG finance in 2023 grew by 27.7% compared to last year, driven by a rebound in loans after a previous slowdown caused by reduced demand for COVID-19 relief loans.
- By type, ESG loans make up the largest portion at KRW 19.3 trillion (53.7% of the financial group's ESG Finance), followed by investments at KRW 12.8 trillion (35.6%), bonds at KRW 3.6 trillion (10.1%), and products at KRW 0.2 trillion (0.6%).
- Woori Bank accounts for 99% of the group's ESG finance.

iM Financial Group

iM Bank | iM Life Insurance | iM Securities | iM Asset Investment Management



| Volume: KRW 6.1 trillion | +24.6% Year-On-Year Growth | 4.0% of total assets reported|

- iM Financial Group's total ESG investment reached KRW 6.1 trillion, representing a 24.6% Growth compared to 2022.
- iM Bank holds 97.5% of iM Financial Group's total ESG investment.
- By type, the groups' ESG finance consists of KRW 2.8 trillion in loans (45.4% of the financial group's ESG Finance), KRW 1.6 trillion in investments (25.6%), KRW 1.2 trillion in financial products (20.4%), and KRW 0.5 trillion in bonds (8.5%).

Volume of (New)Renewable Energy Finance

Table 6 Details of (New) Renewable Energy Investment by Sector and Type

Unit: Trillion KRW

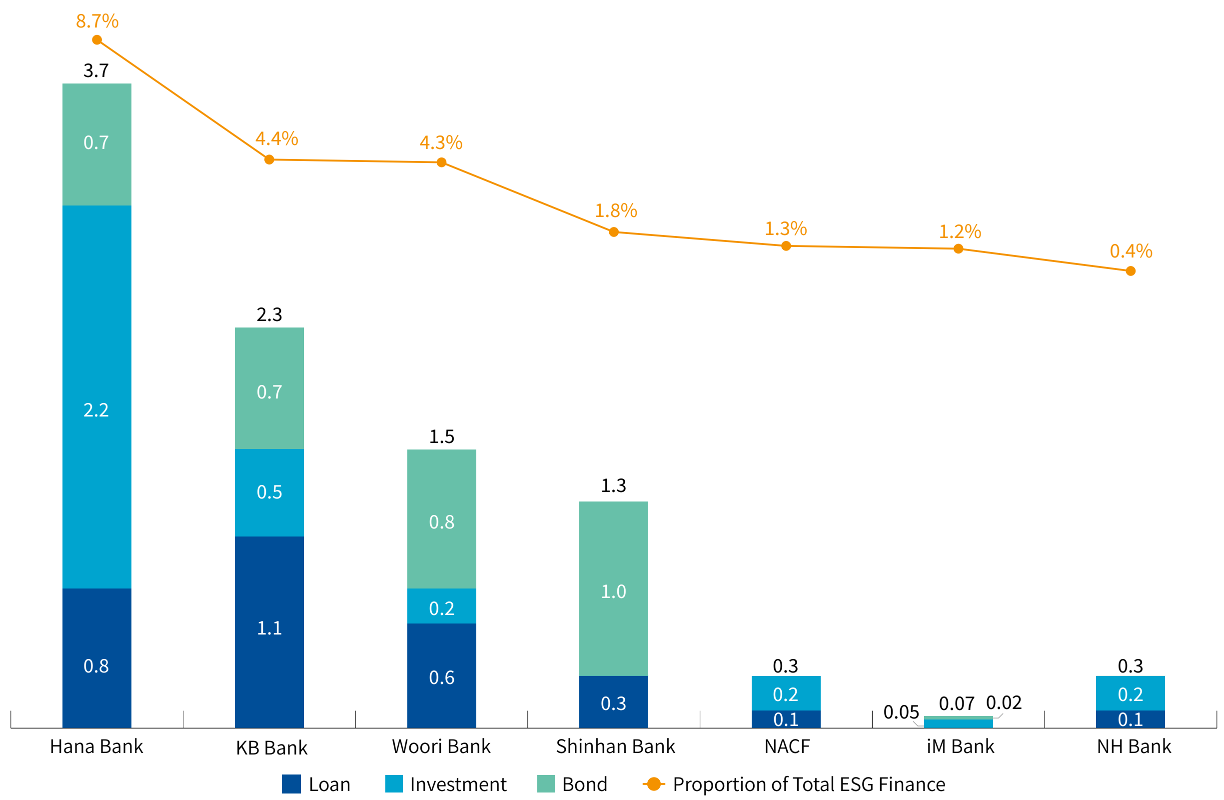
		ESG Loan	ESG Investment	ESG Financial Product	ESG Bond Issuance	Total
Public	KDB	3.2	0.1	-	2.3	5.6
	IBK	0.1	0.7	0.0	0.0	0.8
	KODIT	10.4	-	-	-	10.4
	Others	-	0.8	-	0.9	1.7
	Subtotal	13.7	1.6	0.0	3.2	18.5
Private	Bank	3.9	3.3	0.0	3.3	10.6
	Life Insurance	2.3	6.3	-	0.9	9.5
	Non-Life Insurance	1.2	4.2	0.0	0.2	5.6
	Asset Management	-	1.5	0.0	-	1.5
	Securities	0.1	1.4	0.5	0	2.0
	Subtotal	7.6	16.8	0.5	4.3	29.2
Total		21.4	18.4	0.5	7.5	47.7

At the end of 2023, the total amount of (new) renewable energy finance was KRW 47.7 trillion, accounting for only 2.5% of the total ESG finance, and 27.4% of the total KRW 173.9 trillion in the Environmental (E) pillar.

- The private sector provided KRW 29.2 trillion, nearly 1.6 times the KRW 18.5 trillion provided by the public sector.
- In the public sector, two institutions led renewable energy financing. The Korea Credit Guarantee Fund provided KRW 10.4 trillion in corporate loans to SMEs involved in renewable energy equipment, Green New Deal technologies, and related product manufacturing. KDB invested KRW 5.6 trillion through project financing and bond investments in renewable energy power plants, including solar and wind projects. Together, these two institutions accounted for 86.0% of the total public sector investment in (new) renewable energy.
- In the private sector, banks held the largest share, with KRW 10.6 trillion (36.3% of the private sector total), followed by life insurance companies at KRW 9.5 trillion (32.6%), non-life insurance companies at KRW 5.6 trillion (19.1%), securities firms at KRW 2.0 trillion (7.0%), and asset management companies at KRW 1.5 trillion (5.0%).
- Within the banking sector, i) corporate loans and project financing for domestic and international solar and wind projects amounted to KRW 3.9 trillion, while ii) bond investments in similar projects reached KRW 2.5 trillion. Combined, these accounted for 60% of the banking sector's total renewable energy investments.
- For life and non-life insurance companies, alternative investments made up the largest share of their ESG portfolios, amounting to KRW 5.8 trillion and KRW 3.6 trillion respectively, or 61% and 65% of their total ESG investments. However, specific project level information was not clearly identified.
- The graph below illustrates the renewable energy investment volume of major financial institutions. In 2023, the six largest financial institutions in Korea invested a total of KRW 9.4 trillion in renewable energy, which accounts for an average of only 3.1% of their total ESG investments. This indicates that despite financial institutions continued commitments to expanding green investments, their actual allocations to renewable energy remain minimal.
- Renewable energy is the most effective means of significantly reducing carbon emissions while ensuring economic and environmental sustainability. A meaningful transition toward renewable energy investment is essential for financial institutions and corporations aiming to fulfill their ESG commitments.
- Additionally, consistent policies, appropriate regulations, and expanded incentives for companies from the government and regulatory authorities are urgently needed to stimulate development of renewable energy projects.

Graph 6 Renewable Energy Investment and Proportion by Major Financial Institutions

Unit: Trillion KRW/%

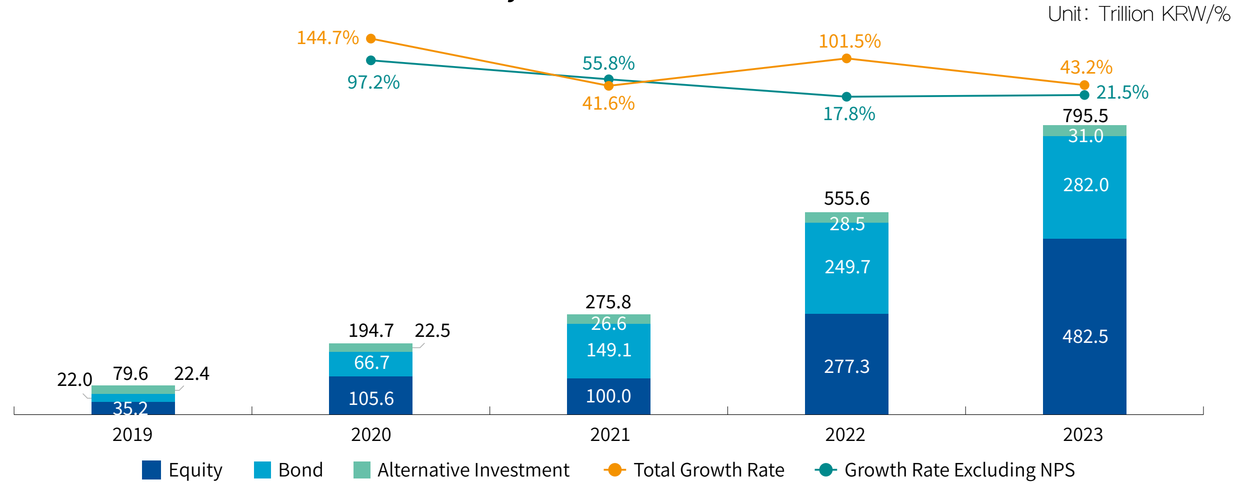


Breakdown of ESG Finance by Type

ESG Investment

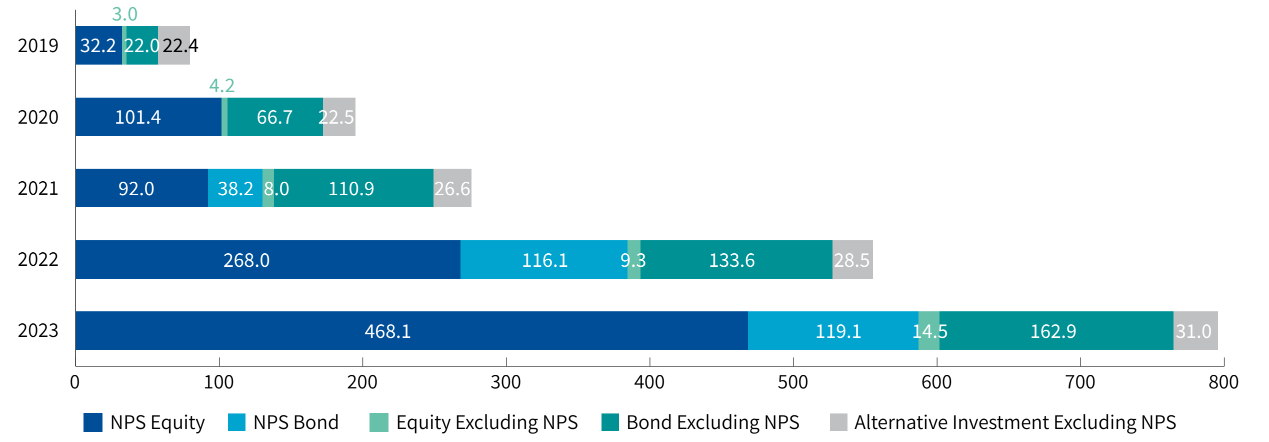
Graph 7 Trend in ESG Investment Volume by Year

Unit: Trillion KRW/%



Graph 8 ESG Investment Trends: NPS vs Others

Unit: Trillion KRW

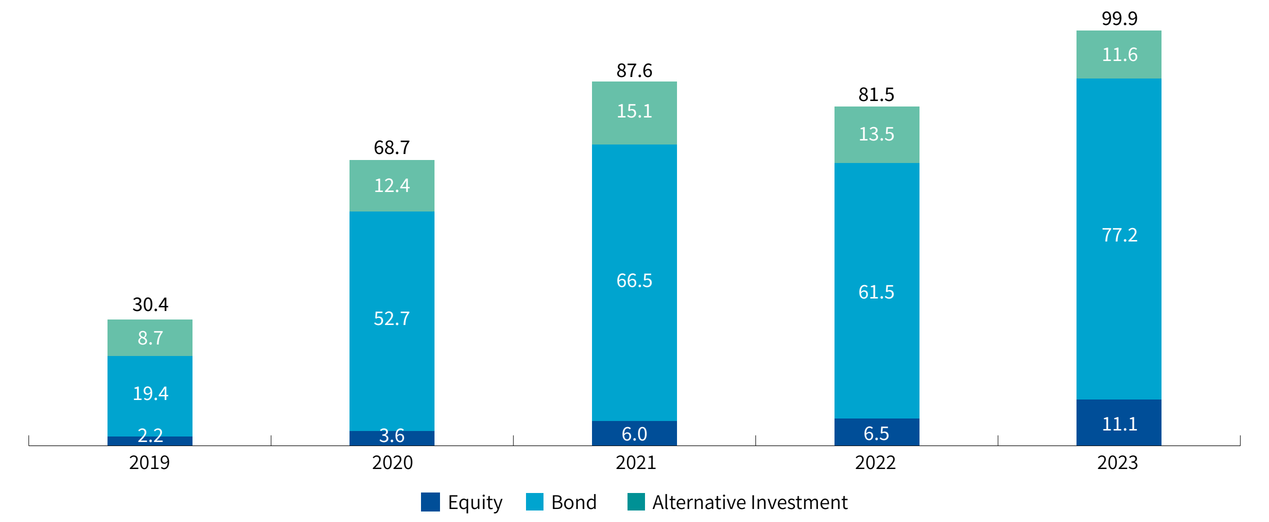


At the end of 2023, the total ESG investment portfolio amounted to KRW 795.5 trillion, marking a 43.2% (KRW 239.9 trillion) increase from the previous year. The inclusion of KRW 138.5 trillion overseas equity investments directly managed by the NPS played a key role in driving the growth of ESG investment portfolio.

- The total volume of ESG investments has been steadily increasing. In 2023, ESG investments reached approximately KRW 795.5 trillion, representing a 43.2% increase from the previous year. Notably, ESG investments in equities surged by 74.0% year-on-year (an increase of KRW 205.2 trillion), while ESG bond investments also grew by 12.9% (an increase of KRW 32.3 trillion), further reinforcing the overall growth trend in ESG investment.
- In 2023, the NPS recorded ESG equity investments amounting to KRW 468.1 trillion, accounting for approximately 97% of the total ESG equity investment in the same year. This represents an increase of approximately KRW 200 trillion compared to the previous year. The notable expansion is primarily attributable to the inclusion of KRW 138.5 trillion in overseas equities directly managed by the NPS, which had not been previously classified under ESG investments prior to 2023.
- Excluding the NPS, ESG investment volume amounted to KRW 208.3 trillion in 2023, reflecting a 21.5% increase from the previous year. This growth was primarily driven by a significant expansion in ESG bond investments, which accounted for 78.2% of the total ESG investment. ESG bond investments rose by KRW 29.3 trillion, representing a year-on-year growth rate of 21.9%. The increase is largely attributed to the government's active promotion of green bond interest rate support, which played a key role in stimulating ESG bond investment across the financial sector.
- By asset type, ESG investment were distributed as follows: bonds KRW 162.9 trillion (78.2% of total ESG investment), alternative investments KRW 31.0 trillion (14.9%), and equities KRW 14.5 trillion (7.0%).

Graph 9 Annual Trends in New ESG Investments (Excluding the NPS)[7]

Unit: Trillion KRW



In 2023, new ESG investments by financial institutions excluding the NPS totaled KRW 99.9 trillion, representing a 22.6% increase from the previous year. This growth was largely driven by improvements in Korea's ESG disclosure system and policy measures supporting ESG bond issuance and investment.

- Following a brief slowdown in 2022, new ESG investments by financial institutions excluding the NPS rebounded in 2023, rising 22.6% year-on-year to reach KRW 99.9 trillion. Despite a KRW 1.9 trillion decline in alternative investments, the increase in equity (KRW 4.6 trillion) and bond investments (KRW 15.7 trillion) played a key role in supporting the overall growth trend.
- The decline in new investments in 2022 (-6.9%) was primarily due to a slowdown in bond issuance related to renewable energy projects, which faced supply challenges amid global geopolitical instability. However, as the global economy began to recover, the Korean government's announcement of the "ESG Infrastructure Advancement Plan" at the end of 2022 played a key role in revitalizing the market. Through this plan, Korea improved its ESG disclosure system and laid the groundwork for promoting ESG bond issuance and investment, providing policy support that positively influenced financial institutions to expand their new ESG investments.

7. The standard of new investment amount of the NPS was ambiguous, so it was excluded because it did not respond to the survey

Table 7 ESG Investment Volume by Sector

Unit: Trillion KRW

		ESG Investment		Equity		Bond		Alternative Investment	
		2022	2023	2022	2023	2022	203	2022	2023
Public	Public Bank	16.8	17.8	1.6	2.0	14.7	15.1	0.5	0.8
	Pension Fund	387.4	592.6	268.8	469.4	118.5	122.8	0.0	0.4
	Other Public Finance	11.6	21.1	2.3	5.8	8.0	13.3	1.4	1.9
	Subtotal	415.8	631.5	272.7	477.3	141.2	151.2	1.9	3.1
Private	Bank	79.3	97.4	0.9	0.8	75.7	93.0	2.8	3.6
	Life Insurance	29.0	33.5	0.2	0.4	16.9	20.8	11.9	12.2
	Non-Life Insurance	15.8	17.9	0.1	0.1	6.2	7.8	9.5	10.0
	Asset Management	3.6	3.3	2.4	2.7	1.1	0.5	0.1	0.1
	Securities	12.0	11.9	1.0	1.3	8.7	8.6	2.3	2.0
	Subtotal	139.8	164.1	4.6	5.3	108.6	130.8	26.6	27.9

Public Sector

| Volume: KRW 631.5 trillion | 79.4% of Total ESG Volume | 51.9% Year-on-Year Growth

- The public sector's ESG investment volume grew by 51.9% year-on-year. This increase is primarily attributed to the NPS, which accounts for 93.8% of total public sector ESG investments. ESG investments in NPS's equity portfolio increased by KRW 200.6 trillion. The NPS expanded the scope of ESG integration to all externally managed assets in 2022 and further included directly managed overseas equities in 2023, thereby driving the growth of both public sector and overall ESG investment for two consecutive years.
- By type, compared to the previous year, equities grew KRW 204.6 trillion, bonds by KRW 10.1 trillion, and alternative investments by KRW 1.1 trillion, indicating a continued upward trend in overall ESG investment.

Private Sector

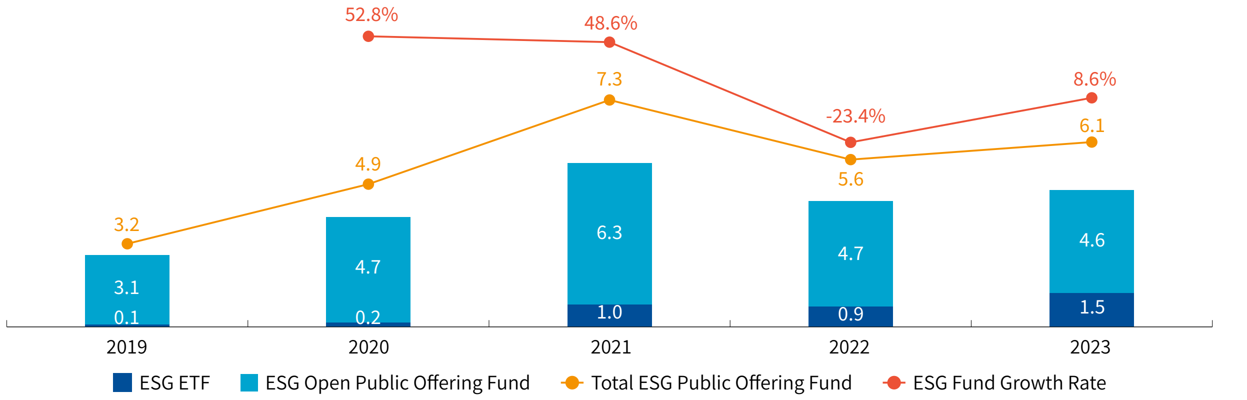
| Volume: KRW 164.1 trillion | 20.6% of Total ESG Volume | 17.4% Year-on-Year Growth

- ESG investments in the private sector amounted to KRW 164.1 trillion, representing 20.6% of the total ESG investment. Like 2022, the private sector's ESG portfolio remained heavily weighted toward bonds, which accounted for 79.7% of its total ESG investment. Banks accounted for 71.1% of total ESG bond investments, with a strong focus on bonds related to the Social (S) pillar, such as those supporting job creation for small businesses and housing provision for low-income individuals.
- By type, the private sector saw an increase of KRW 0.7 trillion in equities, KRW 22.2 trillion in bonds, and KRW 1.3 trillion in alternative investments compared to the previous year.

ESG Public Offering Fund[8]

Graph 10 ESG Public Offering Fund Growth in Korea

Unit: Trillion KRW



- In 2023, the domestic ESG public offering fund market amounted to KRW 6.1 trillion, accounting for 1.8% of the total public offering fund market (KRW 344.9 trillion).
- In 2023, the overall public offering fund market expanded by 23.0% year-on-year, while ESG public offering funds posted a more modest growth of 8.6%, equivalent to KRW 0.5 trillion.

Market Share of Asset Management

Table 8 ESG Public Offering Fund Market Share by Asset Management

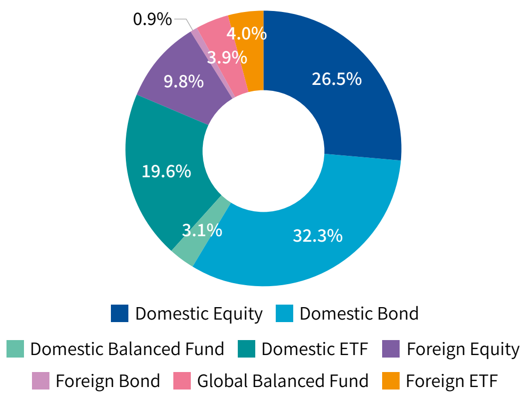
Unit: %

Name	Midas Asset Management	Hanwha Asset Management	Korea Investment Management	Samsung Asset Management	NH-Amundi Asset Management	KB Asset Management	Shinhan Asset Management	Kiwoom Asset Management	Eugene Asset Management	Mirae Asset Global Investment
2022	16.2	15.4	15.5	6.7	7.1	6.8	2.7	3.7	3.8	4.3
2023	15.5	12.2	11.4	11.4	9.5	6.9	6.2	3.7	3.3	3.3

- In terms of ESG public offering fund market share, Midas Asset Management and Korea Investment Management led the market in 2022 with shares of 16.2% and 15.5%, respectively. In 2023, Midas Asset Management and Hanwha Asset Management ranked highest, with market shares of 15.5% and 12.2%, respectively.

Distribution of ESG Public Funds by Type and Top Performing Funds

Graph 11 Breakdown of ESG Public Offering Funds by Type



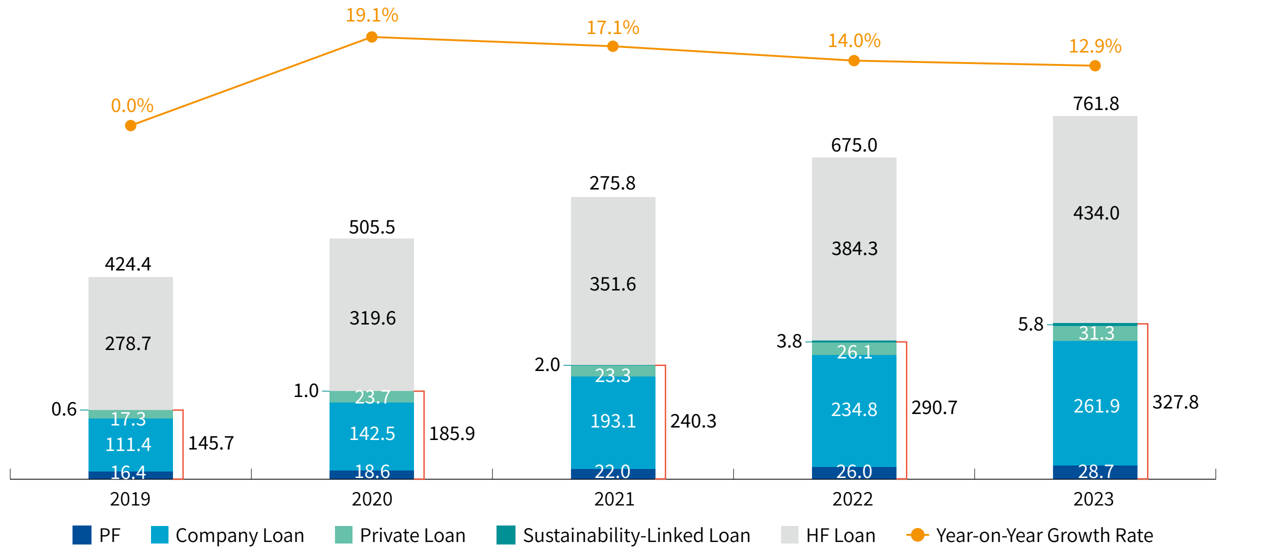
- In 2023, domestic bond funds represented the largest share of ESG public offering funds, accounting for 32.3% of the total market. This was followed by domestic equity funds at 26.5%, and domestic ETFs at 19.6%.
- The largest ESG public offering fund was Midas Responsible Investment (Equity), with an asset size of KRW 0.7 trillion followed by Korea Investment Credit Focus ESG1 (Bond) at KRW 0.5 trillion.
- Additionally, three ETF funds ranked among the top 10 ESG public offering funds by volume, including Samsung KODEX ESG Comprehensive Bond (A-rated and above) Active (Bond) ETF and KB Rise ESG Social Responsibility Investment (Equity) ETF.
- Among ESG funds newly launched in 2023, those with the largest assets under management were predominantly ETFs, including the Shinhan SOL Secondary Battery Materials & Components Fn ETF (KRW 163.6 billion) and the Samsung KODEX KOSDAQ Global ETF (KRW 11.9 billion). As of January 2nd, 2024, ETFs accounted for 94.7% of the total AUM of newly established ESG funds.

8. ESG Public Offering Fund is written based on data from the Korea Fund Ratings

ESG Loan

Graph 12 Annual Trends in ESG Loan Volume

Unit: Trillion KRW



※HF: Korea Housing Finance Corporation

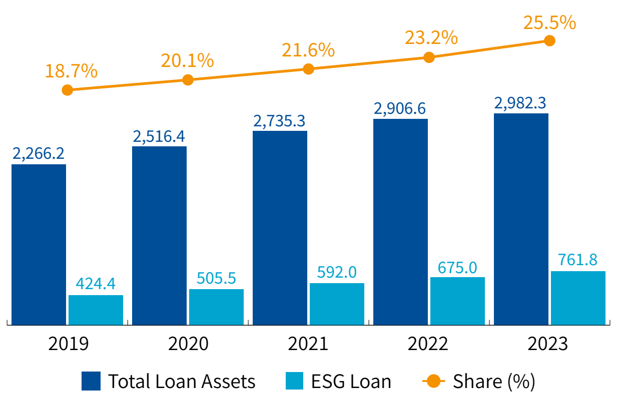
As of 2023, the total volume of ESG loans amounted to KRW 761.8 trillion, representing a 12.9% increase from the previous year (an increase of KRW 87.0 trillion). Representing 40.5% of the total domestic ESG finance market, ESG loans ranked as the second largest segment following ESG investments.

- In 2023, the total amount of ESG loan reached KRW 761.8 trillion, with the public sector accounting for 75.4% (KRW 574.1 trillion) and the private sector accounting for 24.6% (KRW 187.7 trillion).
- However, excluding the ESG loans provided by the HF[9] which account for 57% of the total ESG loan volume (KRW 434 trillion), the remaining ESG loan volume amounts to KRW 327.8 trillion. This reflects a 12.8% increase from the previous year's KRW 290.7 trillion, with a net growth of KRW 37.1 trillion.
- Excluding HF loans, the remaining ESG loan volume totals KRW 327.8 trillion, of which the private sector accounts for 57.3% (KRW 187.7 trillion) and the public sector accounts for 42.7% (KRW 140.1 trillion)
- As of the end of 2023, sustainability-linked loans (SLLs) had an outstanding balance of KRW 5.8 trillion, accounting for 0.8% of the total ESG loan volume. Although the voulme remains relatively small, the market is showing signs of growth. In 2023, major issuing institutions included Shinhan Bank (KRW 3.6 trillion), KB Bank (KRW 905.3 billion), Jeonbuk Bank (KRW 883.3 billion), and the IBK (KRW 456.4 billion).

9. In 2023, ESG loans by the HF amounted to KRW 434 trillion, consisting of individual loans (KRW 421.6 trillion), corporate loans (KRW 6.5 trillion), and project financing (KRW 5.9 trillion). Notably, HF's individual loan portfolio includes programs such as Bogeumjari Loans (a long-term government-backed housing loans), Conforming Loans, Didimdol Loans (subsidized loans for first-time homebuyers), and housing guarantees. As HF was established with the purpose of ensuring a stable supply of housing finance, its lending activities are more influenced by government housing policies than by the social (S) pillar of ESG. Therefore, in this report, HF's ESG loan volume is analyzed separately from other ESG loans.

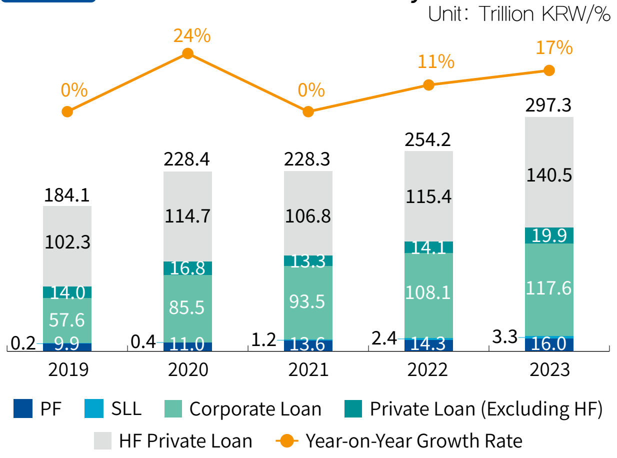
Graph 13 Share of ESG Loans to Total Loan Assets

Unit: Trillion KRW/%



Graph 14 Trends in New ESG Loans by Product

Unit: Trillion KRW/%



- In 2023, ESG loans represented 25.5% of the total loan assets reported by surveyed institutions, continuing an upward trend from 18.7% in 2019, 20.1% in 2020, 21.6% in 2021, and 23.2% in 2022.
- The total volume of new ESG loans in 2023 reached KRW 297.3 trillion, representing a 61.5% increase compared to 2019 (KRW 184.1 trillion).
  - Of the KRW 297.3 trillion in new ESG loans issued in 2023, 47.3% originated from individual loans provided by the HF (KRW 140.5 trillion), while 39.6% was comprised of corporate loans (KRW 117.6 trillion)
  - Due to COVID-19, there was a sharp increase in loans for SMEs as of 2020, resulting in a 24.0% year-on-year growth in ESG loan issuance. In 2021, the volume of support remained at a similar level, leading to slower growth, followed by a gradual upward trend in subsequent years.

ESG Loan by Pillar

Table 9 Volume of ESG Loan by Pillar

Unit: Trillion KRW

		Environmental (E)		Social (S)		ESG Integration		2023 Total	2022 Total
		2023	2022	2023	2022	2023	2022		
Public	Public Bank	64.2	54.5	30.5	36.2	9.9	5.1	104.7	95.8
	Pension Fund	10.4	2.4	24.9	0.1	0.0	0.0	35.3	2.5
	Others (Excluding HF)	0.1	1.0	0.0	18.6	0.0	0.0	0.1	19.6
	HF	0.0	0.0	421.6	384.3	12.4	0.0	434.0	384.3
	Subtotal	74.8	57.9	477.0	439.2	22.3	5.1	574.1	502.2
Private	Bank	31.7	22.9	132.3	129.6	5.8	1.9	169.8	154.4
	Life Insurance	4.7	7.1	3.7	5.3	2.2	0.2	10.7	12.7
	Non-Life Insurance	3.2	2.9	2.1	1.3	0.0	0.5	5.4	4.6
	Securities	1.3	1.0	0.5	0.0	0.0	0.0	1.8	1.0
	Asset Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	41.1	33.9	138.5	136.2	8.1	2.6	187.7	172.8
Total		115.8	91.8	615.5	575.4	30.4	7.7	761.8	675.0
Total Excluding HF		115.8	91.8	193.9	191.1	18.0	7.7	327.8	290.7

※HF: Korea Housing Finance Corporation

When ESG loans are categorized by pillar, the Social (S) pillar accounts for the largest share - KRW 615.5 trillion (80.8%) out of the total KRW 761.8 trillion in ESG loans. This is followed by the Environmental (E) pillar with KRW 115.8 trillion (15.2%), and integrated ESG loans with KRW 30.4 trillion (4.0%).

When excluding loans from the HF, which amount to KRW 434 trillion[10], the total volume of ESG loans stands at KRW 327.8 trillion. In this adjusted total, the Environmental (E) pillar accounts for the largest share with KRW 115.8 trillion (59.2%), followed by the Social (S) pillar with KRW 193.9 trillion (35.3%), and integrated ESG loans with KRW 18 trillion (5.5%).

10. Of the HF's total ESG loans of KRW 434 trillion, KRW 421.6 trillion is in the Social (S) pillar, all of which are individual loans. The remaining KRW 12.4 trillion in integrated ESG loans consists of KRW 6.5 trillion in corporate loans and KRW 5.9 trillion in project financing (PF). HF does not provide loans under the Environmental (E) pillar.

Environmental (E) Pillar

| Volume: KRW 115.8 trillion | 26.1% Increase from KRW 91.8 trillion (Year-on-Year Growth) |

- The public sector within the Environmental (E) pillar recorded KRW 74.8 trillion, representing a 26.1% growth from the previous year's KRW 57.9 trillion.
- Public banks accounted for 85.9% of the Environmental (E) pillar within the public finance sector, providing a combined total of KRW 64.2 trillion. This amount was primarily distributed across three institutions: KDB with KRW 37.8 trillion, KEXIM with KRW 19.5 trillion, and IBK with KRW 6.9 trillion.
- The private sector within the Environmental (E) pillar totaled KRW 41.1 trillion, showing a 21.1% increase from the previous year's KRW 33.9 trillion.
- Private banks accounted for 77.3% of the Environmental (E) pillar within the private finance sector, comprising KRW 31.7 trillion in loans. A detailed overview of the leading private institutions engaged in Environmental (E) loans is provided in the 'Major Private ESG Lending Institutions' section of this report.

Social (S) Pillar

| Volume: KRW 615.5 trillion | 7.0% Increase from KRW 575.4 trillion (Year-on-Year Growth) |

- The public sector within the Social (S) pillar recorded KRW 477 trillion, showing an 8.6% growth from the previous year's KRW 439.2 trillion.
- Excluding loans from the HF, the public finance sector of the Social (S) pillar amounted to KRW 55.4 trillion, reflecting a modest 0.9% increase from KRW 54.9 trillion in the previous year.
- The private sector within the Social (S) pillar amounted to KRW 138.5 trillion, showing 1.7% growth from the previous year's KRW 136.2 trillion.
- Private banks accounted for 95.5% of the Social (S) pillar within the private finance sector which totaled KRW 132.3 trillion. Major private institutions executing S-sector loans are covered in the section on 'Major Private ESG Lending Institutions'.

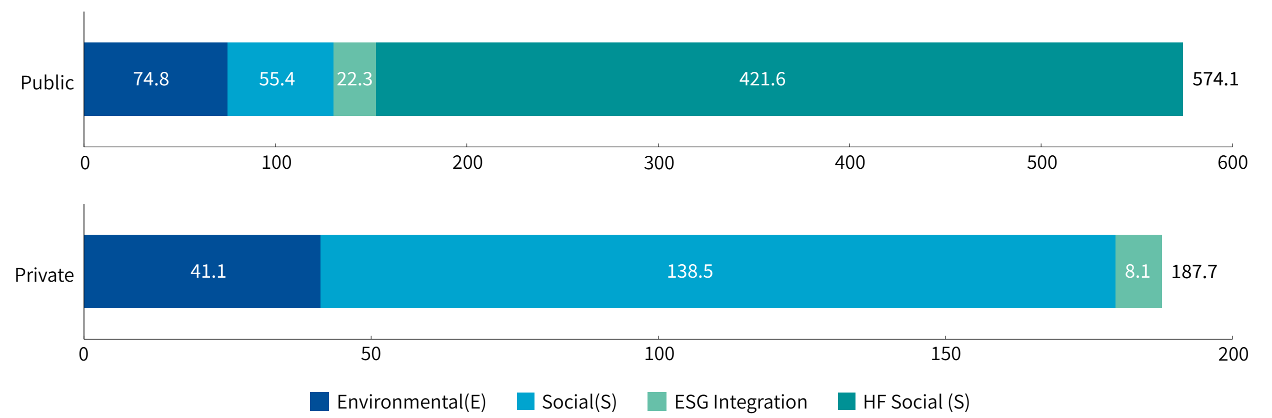
ESG Integration Loan

| Volume: KRW 30.4 trillion | 294.8% Increase from KRW 7.7 trillion (Year-on-Year Growth) |

- In this report, cases which financial institutions have categorized loans by combining two or more pillars Environmental (E), Social (S), and Governance (G) are classified as ESG Integrated loans.
- ESG Integrated loans amounted to KRW 8.1 trillion in the private sector and KRW 22.4 trillion in the public sector.
- The increase in integrated ESG loans appears to reflect the lack of a standardized and objective classification framework for ESG lending activities.

Graph 15 Breakdown of ESG Pillars by Sector

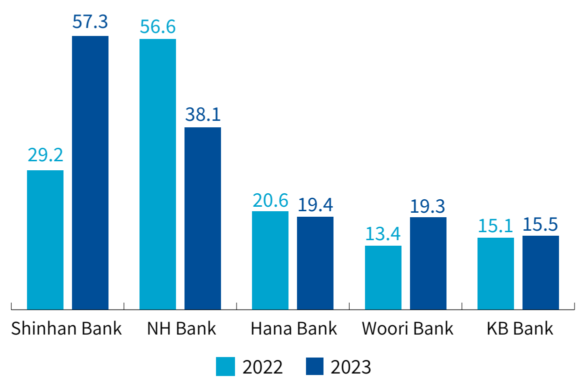
Unit: Trillion KRW



Major Private ESG Lending Institutions

Graph 16 Top 5 Private ESG Loan Providers

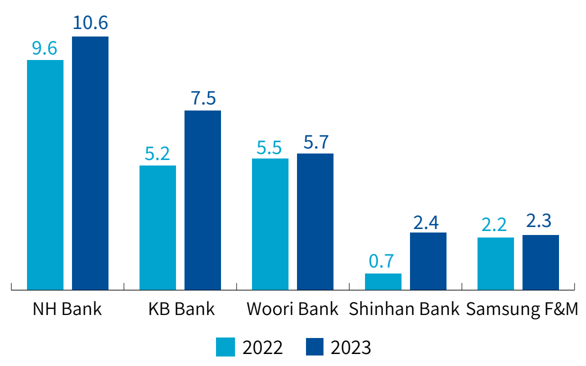
Unit: Trillion KRW



- As of the end of 2023, the private financial institutions with the largest outstanding ESG loan balances were Shinhan Bank (KRW 57.3 trillion), NH NongHyup Bank (KRW 38.1 trillion), Hana Bank (KRW 19.4 trillion), Woori Bank (KRW 19.3 trillion), and KB Kookmin Bank (KRW 15.5 trillion).
- The financial institution with the highest volume of loans in Environmental (E) pillar is NH NongHyup Bank, with KRW 10.6 trillion, followed by KB Kookmin Bank (KRW 7.5 trillion), Woori Bank (KRW 5.7 trillion), Shinhan Bank (KRW 2.4 trillion), and Samsung Fire & Marine Insurance (KRW 2.3 trillion).
- Shinhan Bank reported the highest volume of Social (S) pillar loans at KRW 51.3 trillion, followed by NH NongHyup Bank (KRW 27.5 trillion), Hana Bank (KRW 17.3 trillion), Woori Bank (KRW 13 trillion), and Busan Bank (KRW 10.1 trillion).
- The breakdown of Environmental (E) and Social (S) loans does not include those classified as integrated ESG.

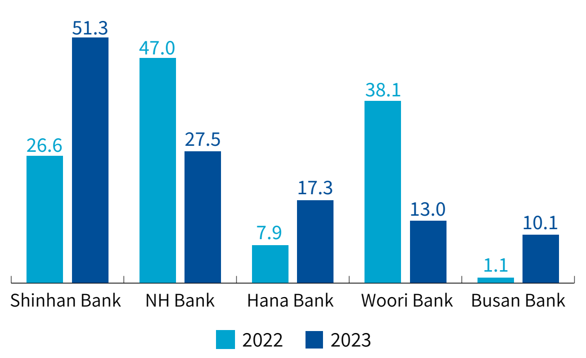
Graph 17 Top 5 Private Institutions by Environmental (E) Loan Volume

Unit: Trillion KRW



Graph 18 Top 5 Private Institutions by Social (S) Loan Volume

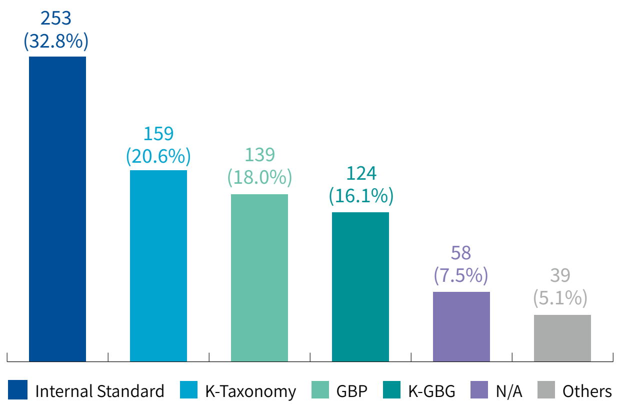
Unit: Trillion KRW



ESG Loan Classification Framework

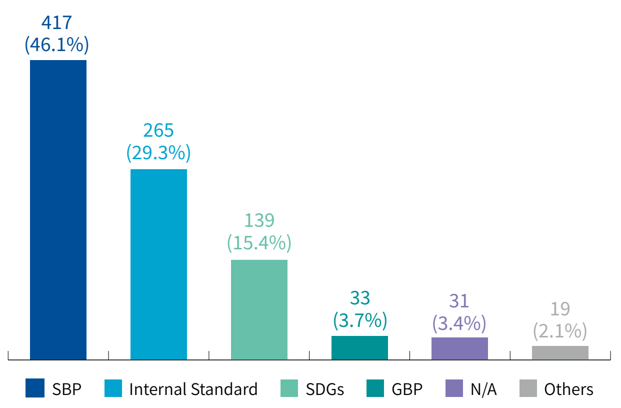
Graph 19 Classification Framework for Environmental (E) Loans

Unit: Cases (%)



Graph 20 Classification Framework for Social (S) Loans

Unit: Cases (%)



Classification Framework for Environmental (E) Loans

- As of the end of 2023, among the 772 cases of Environmental (E) loans, the most used classification framework was internal standards set by financial institutions, applied in 253 cases (32.8%). This was followed by the Korea Taxonomy (K-Taxonomy) with 159 cases (20.6%), the International Capital Market Association (ICMA)'s Green Bond Principles (GBP) with 139 cases (18.0%), and the Korea Green Bond Guidelines (K-GBG) with 124 cases (16.1%). Although the specific frameworks varied across institutions, it is understood that many developed their own internal criteria with reference to the K-Taxonomy or K-Green Bond Guidelines.

Classification Framework for Social (S) Loans

- As of the end of 2023, among the 904 cases of Social (S) loans, the most applied classification framework was the International Capital Market Association (ICMA)'s Social Bond Principles (SBP), used in 417 cases (46.1%). This was followed by internal standards set by financial institutions in 265 cases (29.3%), the United Nations Sustainable Development Goals (SDGs) in 139 cases (15.4%), and the Green Bond Principles (GBP) in 33 cases (3.7%).
- Due to the absence of a domestic classification framework for the Social (S) pillar, financial institutions currently apply different criteria when issuing loans. This highlights the urgent need to establish a Korean Social Taxonomy.

Table 10 Case Examples of Environmental (E) and Social (S) Loans

Classification	Example
Environmental (E)	Renewable energy, greenhouse gas reduction, sustainable water and wastewater management, energy efficiency, sustainable promotion, etc.
Social (S)	Social infrastructure projects, quality education, job creation through lending to SMEs & mid-sized enterprises and microfinance support, inclusive support such as restructuring, business closure, COVID-19 relief, as well as financial support for low income and vulnerable groups

ESG Bond Issuance

Detailed Classification of ESG Bond Types

Table 11 Breakdown of ESG Bonds

Type	Details	Type of Bond Principle
Green Bond	Bonds issued to finance environmental improvements and climate change mitigation efforts	Green Bond Principles (GBP), Korea- Green Bond Guideline(K-GBG), Korea Taxonomy(K-Taxonomy), Internal Standard, etc.
Social Bond	Bonds issued to finance projects that generate social value, such as infrastructure development, job creation, and other community focused initiatives	Social Bond Principles (SBP), Sustainability Bond Guideline (SBG), Internal Standard, etc.
Sustainable Bond	Bonds issued to support environmental and social development initiatives	Green Bond Principles (GBP), Sustainability Bond Guideline (SBG), Internal Standard, etc.
Sustainability-Linked Bond	Linking bond interest rates to ESG performance targets	Sustainability Linked Bond Principles (SLBP)

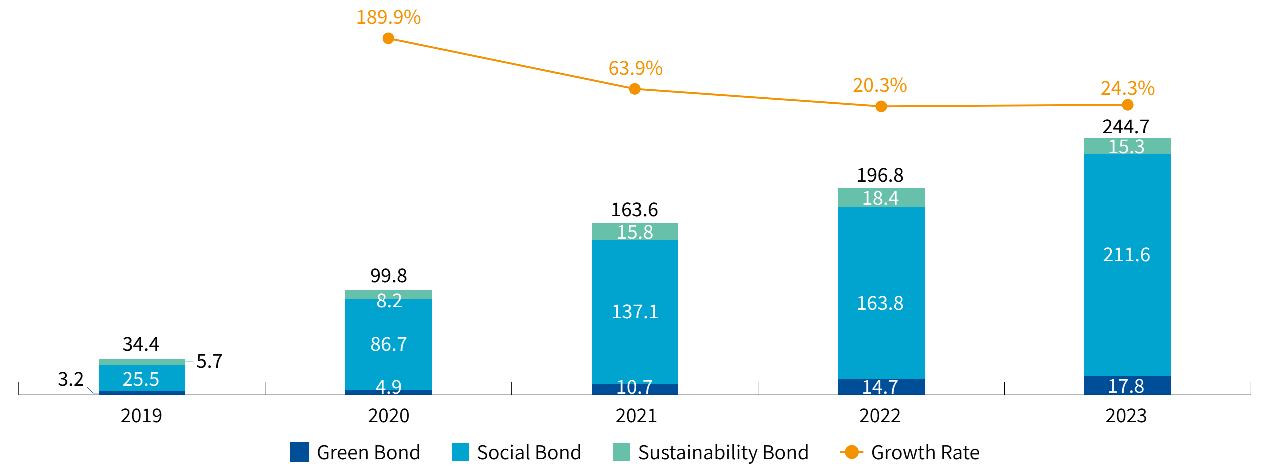
ESG bonds are specially purposed instruments issued to finance projects that aim to generate positive outcomes in the areas of Environmental (E), Social (S), and Governance (G).

- Based on the use of proceeds, ESG bonds are classified into four types: Green Bonds, Social Bonds, Sustainability Bonds, and Sustainability-Linked Bonds. In Korea, however, there have been no issuances of Sustainability-Linked Bonds over the past five years, meaning that in practice, only three types have been issued.
- In 2023, financial institutions issued a total of 1,408 ESG bonds. Among them, Social Bonds accounted for the vast majority, with 1,306 issuances. Green bonds and sustainability bonds were issued in 50 and 52 cases, respectively.
- For social bonds, the Social Bond Principles (SBP) were applied in 1,282 cases, representing over 98% of issuances. In the case of Green and Sustainability Bonds, the most frequently applied guideline was the Sustainability Bond Guidelines (SBG), used in 37 cases, followed by the Green Bond Principles (GBP) in 26 cases, and internal standards with third-party verification in 18 cases.
- Only 11 Green Bond issuances applied the Korea Green Taxonomy (K-Taxonomy), indicating a relatively limited uptake.

Breakdown of ESG Bond Issuance by Type

Graph 21 Year-End Outstanding Balance of ESG Bonds

Unit: Trillion KRW

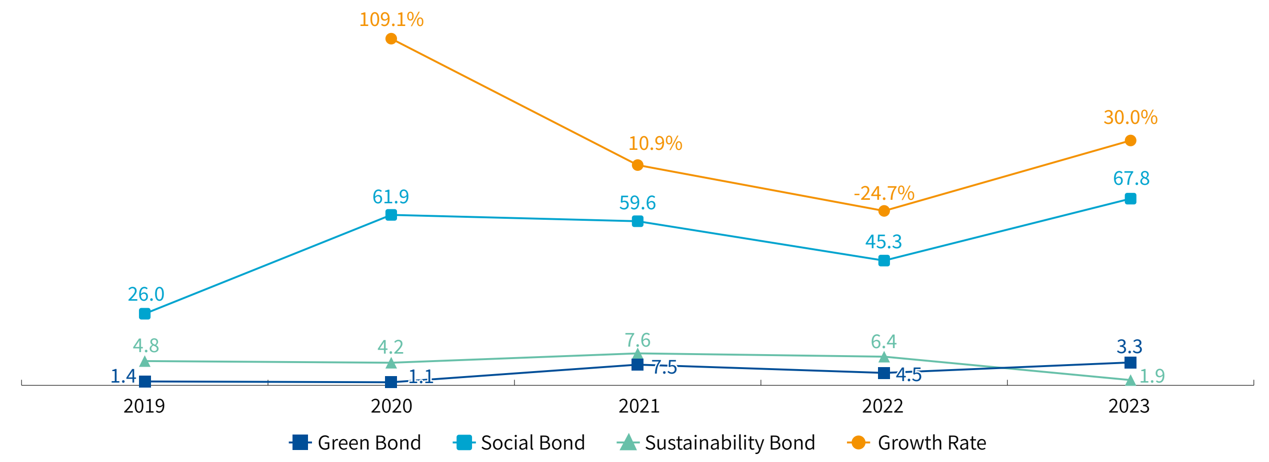


As of the end of 2023, the total outstanding balance of ESG bond issuances reached KRW 244.7 trillion, marking a 24.3% increase compared to the previous year.

- Sustainability-Linked Bonds require issuers to set Key Performance Indicators (KPIs) related to ESG activities and commit to Sustainability Performance Targets (SPTs). However, there have been no reported issuance of Sustainability-Linked Bonds in the domestic market over the past five years.
- This is likely because Sustainability-Linked Bonds are not tied to specific ESG aligned projects, making it difficult to verify their alignment with ESG principles. Additionally, the absence of clear and objective criteria for assessing target achievement has led financial institutions to remain hesitant about issuing them.

Graph 22 Annual Trends in New ESG Bond Issuance

Unit: Trillion KRW



- After declining by 24.7% in 2022, the volume of newly issued ESG bonds rebounded in 2023, reaching KRW 73.0 trillion, a 30.0% increase from the previous year.
- This growth was largely driven by a sharp rise in Social Bond issuances by the HF, which nearly doubled from KRW 23.5 trillion in 2022 to KRW 40.0 trillion in 2023.
- By bond type, new issuances amounted to KRW 67.8 trillion for Social Bonds, KRW 3.3 trillion for Green Bonds, and KRW 1.9 trillion for Sustainability Bonds, with Social Bonds accounting for a dominant 92.9% share. This concentration is largely attributed to the increased issuance of housing related bonds by the HF.

Breakdown of ESG Bond Issuance by Sector

Table 12 Classification of ESG bond Issuance by Sector as of the End of 2023

Unit: Trillion KRW

Sector	Green Bond	Social Bond	Sustainability Bond	Sustainability-Linked Bond	Total
Public	13.9	199.6	1.3	0.0	214.8
Private	3.9	12.0	14.0	0.0	29.9
Total	17.8	211.6	15.3	0.0	244.7

Of the total ESG bond issuance, the public sector accounted for KRW 214.8 trillion, while the private sector accounted for KRW 29.9 trillion, making the public sector more than seven times larger in volume.

Public Sector

- As of the end of 2023, ESG bond issuance by the public sector reached KRW 214.8 trillion, reflecting a 25.3% increase from the previous year.
- By bond type, Social Bonds accounted for KRW 199.6 trillion, followed by Green Bonds at KRW 13.9 trillion and Sustainability Bonds at KRW 1.3 trillion, with Social Bonds making up dominant 92.9% of the total. Notably, 74.8% of the Social Bonds amounting to KRW 146.1 trillion were issued by the HF to finance housing supply.

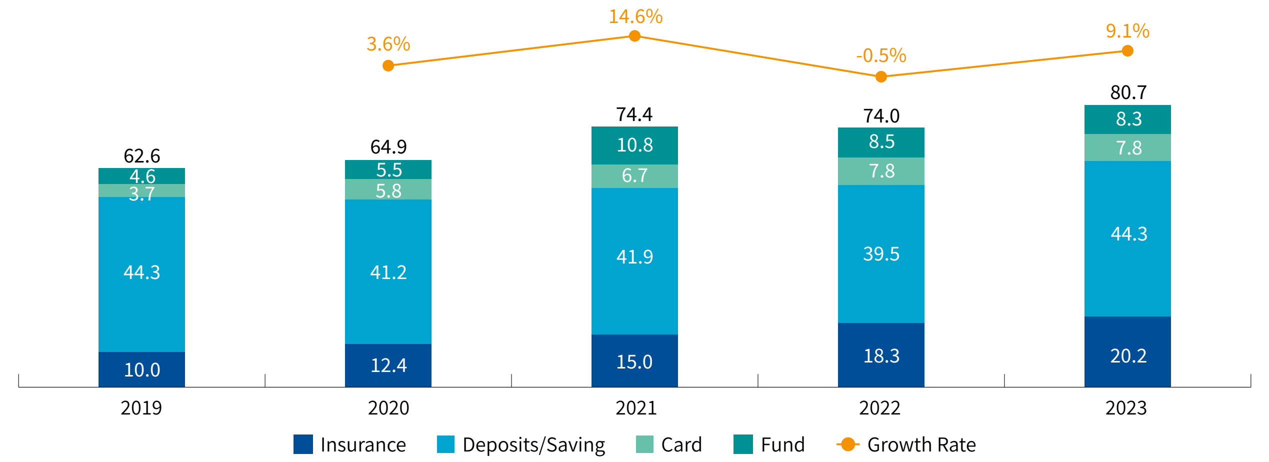
Private Sector

- As of the end of 2023, ESG bond issuance in the private sector totaled KRW 29.9 trillion, reflecting a 17.7% increase from the previous year.

ESG Financial Product

Graph 23 Volume of ESG Financial Product

Unit: Trillion KRW



ESG financial products are various deposit and financial offerings designed to encourage ESG practices by providing benefits such as preferential interest rates, insurance premium discounts or waivers, and reward point accumulation, based on the customer's participation in ESG-related activities. These products account for 4.3% of the total ESG finance volume.

- In 2023, the volume of ESG financial products reached KRW 80.7 trillion, reflecting a 9.1% increase from the previous year.
- By type, ESG financial products include deposits and savings (KRW 44.3 trillion), insurance (KRW 20.2 trillion), funds (KRW 8.3 trillion), and credit cards (KRW 7.8 trillion). The growth was primarily driven by deposits/savings and insurance, which together represent 80% of the total and grew by 12.3% and 10.6%, respectively.

Table 13 Breakdown of ESG Financial Products by Pillar in 2023

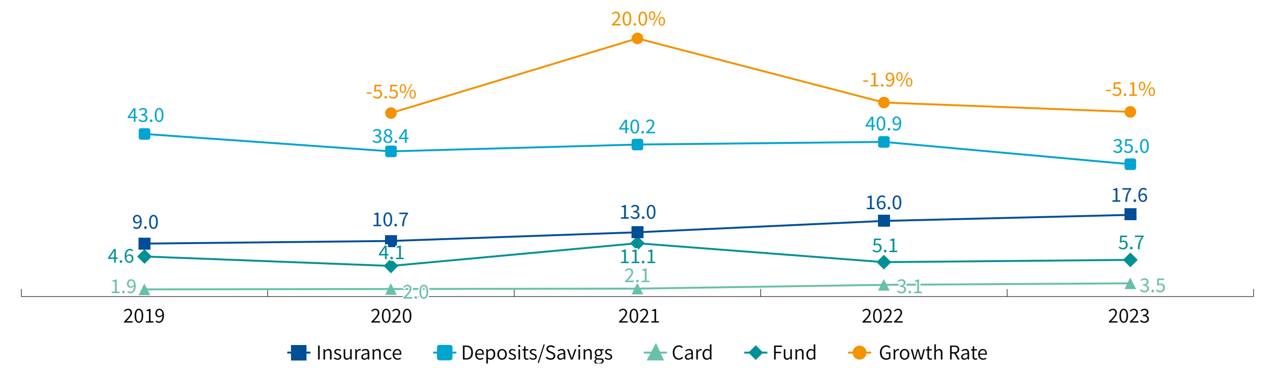
Unit: Trillion KRW

Sector	E(Environmental)	S(Social)	G(Governance)	ESG Integration	Total
Public	5.8	4.0	0.0	0.5	10.3
Private	16.1	44.0	0.3	10.0	70.4
Total	21.9	48.0	0.3	10.5	80.7

- Both the public and private sectors saw the highest volume of ESG financial products in the Social (S) pillar. In the public sector, the Korea Post accounted for 97.5% of the total Social (S) product volume, while in the private sector, NH NongHyup Bank represented the largest share at 59.8%.
- The next largest category was the Environmental (E) pillar, with a total of KRW 21.9 trillion as of the end of 2023 (KRW 5.8 trillion from the public sector and KRW 16.1 trillion from the private sector).
- In the private sector which accounts for 84.9% of the total Environmental (E) area, non-life insurance companies held the largest share (73.1%), primarily driven by active sales of insurance products featuring environment related components such as mileage-based discounts and paperless policy options.

Graph 24 Annual Trends in New ESG Financial Product

Unit: Trillion KRW



- As of the end of 2023, the total sales volume of new ESG financial products reached KRW 61.7 trillion, including KRW 35.0 trillion in deposits and savings, KRW 17.6 trillion in insurance, KRW 5.7 trillion in funds, and KRW 3.5 trillion in credit cards representing a 5.1% decrease compared to KRW 64.9 trillion in 2022.
- This was primarily due to a 14.7% decline in deposits and savings, which accounted for 57.0% of newly executed ESG finance, as interest rates that had surged during the pandemic began to stabilize.

Breakdown of ESG Financial Product by Type

As of the end of 2023, ESG financial products consisted of deposits and savings (KRW 44.3 trillion), insurance (KRW 20.2 trillion), funds (KRW 8.3 trillion), and credit cards (KRW 7.8 trillion), with deposits and savings accounting for the largest share at 54.9%.

ESG Deposits/Savings

- ESG deposits and savings refer to financial products that either serve ESG related purposes or offer preferential interest rates based on the account holder's ESG related activities.
- As of the end of 2023, the total volume reached KRW 44.3 trillion, accounting for 54.9% of all ESG financial products.
- The volume of ESG deposits and savings grew by 12.3% year-on-year. The increase reflects both a base effect from the decline in 2022 and sustained sales of NH NongHyup Bank's ESG deposit products, which represent 66% of the market. These include offerings such as the NH "Plus Sharing" Term Deposit, which supports agriculture, rural communities, and social contribution initiatives.
- As of the end of 2023, the top institutions by outstanding ESG deposit and savings balances were NH NongHyup Bank (KRW 26.3 trillion), KB Kookmin Bank (KRW 8.8 trillion), and Korea Post (KRW 3.6 trillion).

ESG Insurance

- ESG insurance products primarily include special policy riders based on the policyholder's activities, such as mileage based premium refund options and offerings designed to provide coverage to individuals who may otherwise have difficulty obtaining insurance.
- As of the end of 2023, the total volume of ESG insurance reached KRW 20.2 trillion, marking a 10.8% increase from the previous year and accounting for 25.1% of the total ESG financial products.
- As of the end of 2023, DB Insurance held the largest outstanding ESG insurance balance at KRW 7.2 trillion, followed by Samsung Fire & Marine Insurance (KRW 3.7 trillion) and Hyundai Marine & Fire Insurance (KRW 2.9 trillion).

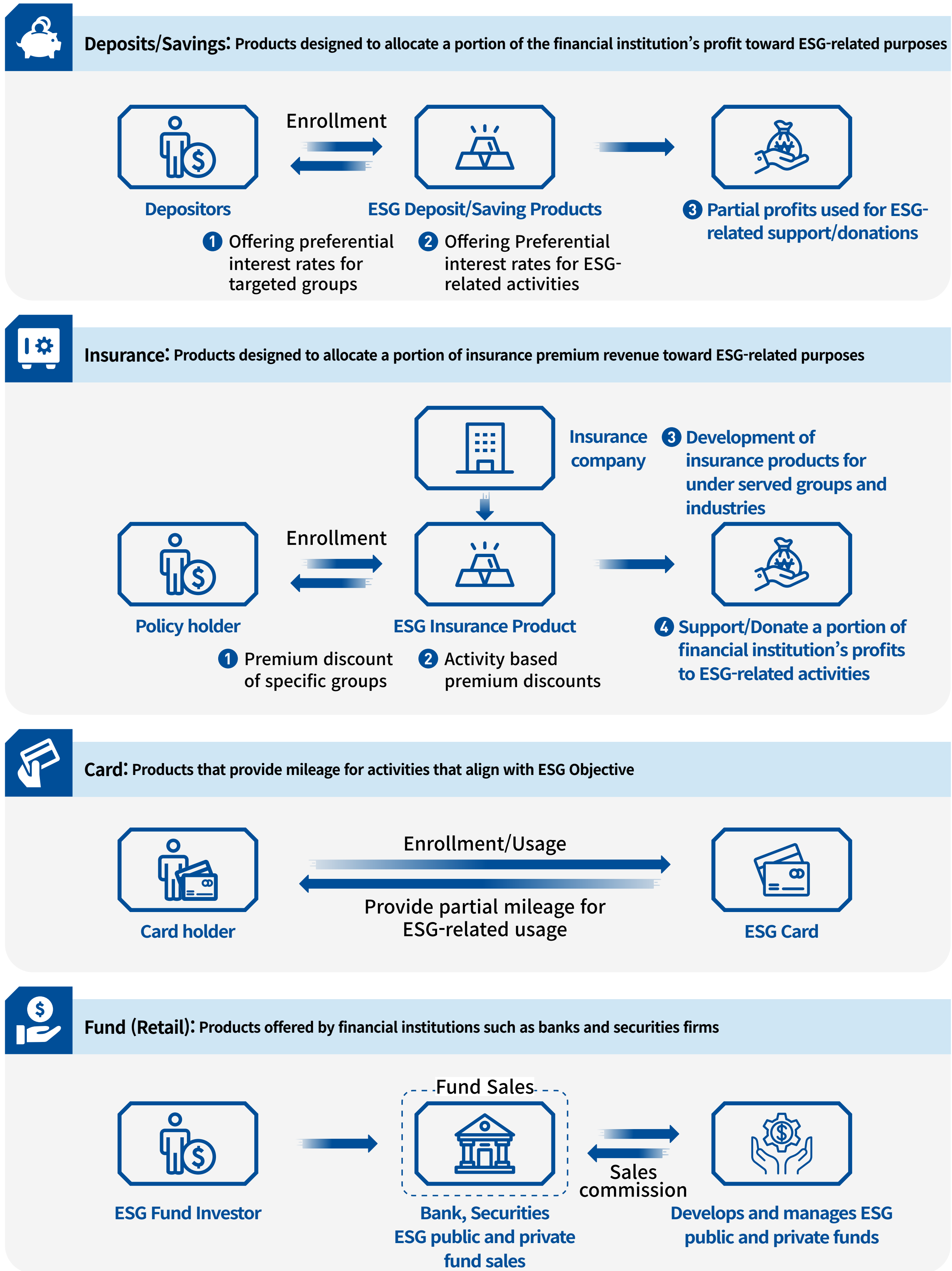
ESG Fund (Retail)

- ESG funds are public and private offering fund products distributed through financial institutions such as banks and securities firms, with portfolios constructed based on ESG considerations.
- As of the end of 2023, the total value of ESG funds stood at KRW 8.3 trillion, reflecting a 2.1% decline from the previous year and representing 10.3% of all ESG financial products.
- As of the end of 2023, Shinhan Securities held the largest outstanding ESG fund balance at KRW 1.3 trillion, followed by KB Kookmin Bank with KRW 1.2 trillion and Shinhan Bank with KRW 0.5 trillion.

ESG Card

- ESG cards are financial products that offer benefits such as discounts or mileage rewards when used for ESG related activities or purchases by the cardholder.
- As of the end of 2023, the total value of ESG cards stood at KRW 7.8 trillion, remaining largely unchanged from the previous year and representing 9.7% of all ESG financial products.
- As of the end of 2023, NH NongHyup Bank held the largest outstanding ESG credit card balance at KRW 2.5 trillion, followed by Busan Bank with KRW 1.6 trillion and Korea Post with KRW 1.3 trillion.

Picture 1 Detailed Overview of ESG Financial Product by Type



ESG Financial Issues Report

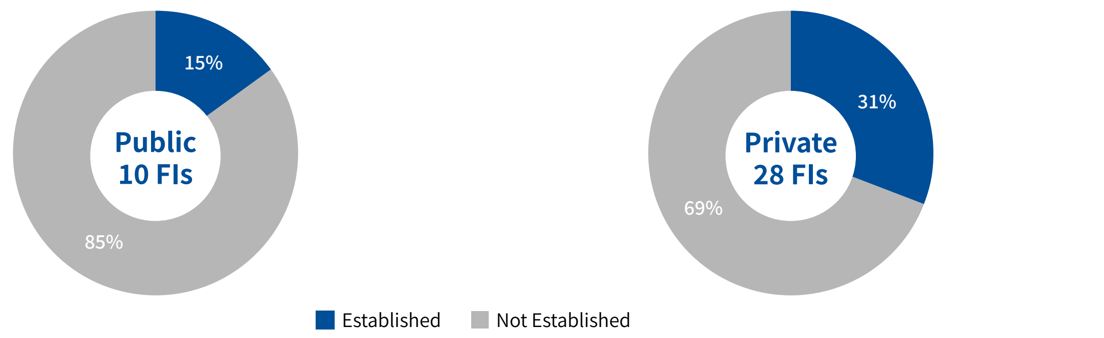
ESG Financial Issues Report

ESG Finance

Status of ESG Finance Target

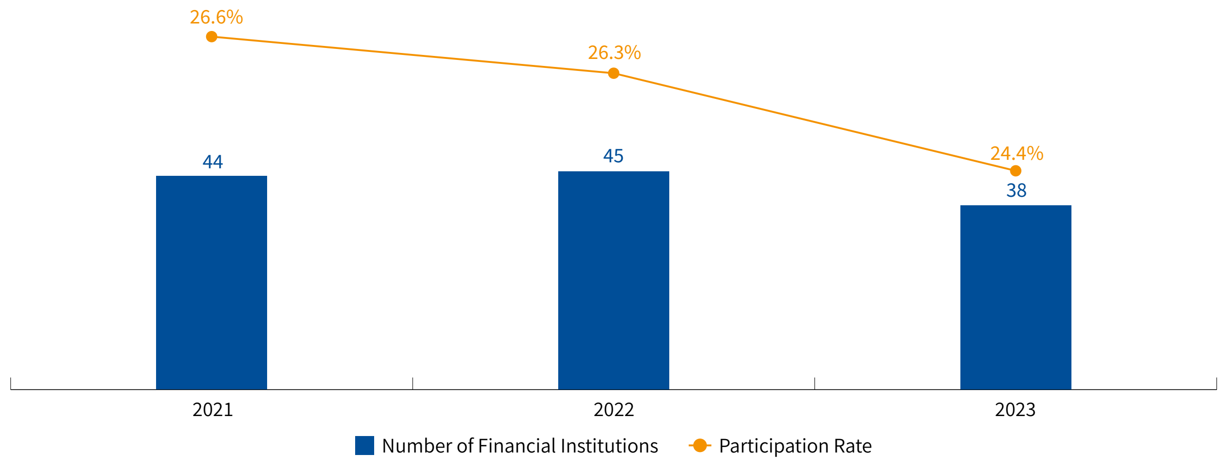
Graph 25 ESG Target Adoption Rate (Public vs Private)

Unit: %



Graph 26 ESG Target Adoption by Year

Unit: %



According to this survey, 38 institutions out of 156 financial institutions, representing 24.4%, have established ESG financial targets. This marks a slight decline from 26.6% (44 institutions) in 2021 and 26.3% (45 institutions) in 2022.

As of the end of 2023, financial institutions that have set ESG finance targets were found to use various criteria for setting those goals. Specifically, 14 institutions based their targets on “outstanding balance”, 10 institutions on “other” criteria, 9 institutions on “yearly input amount,” and 5 institutions on “cumulative investment amount,” indicating that each institution applies its own standard. Due to differences in target years across institutions, direct comparisons are limited. However, the total combined target amounted to KRW 896.5 trillion (excluding product count-based or percentage-based targets). By classification, KRW 275.8 trillion was categorized under “other,” KRW 209.2 trillion under outstanding balance KRW 210.7 trillion under “yearly input amount,” and KRW 200.9 trillion under “cumulative investment amount.” Compared to the 2022 total of KRW 605 trillion, this represents a 48.2% increase. The data suggests that financial institutions with ESG targets are actively expanding their ESG finance commitments.

In the absence of clear government level guidelines, financial institutions are currently setting ESG finance targets and standards independently. This lack of alignment may hinder the efficient expansion of ESG finance and complicate the evaluation of progress and impact. Without standardized criteria, it becomes difficult to make objective comparisons of ESG performance across institutions, and there are limitations in systematically assessing progress toward ESG finance targets. Furthermore, this could lead to fragmented reporting, overlapping data submissions, and the development of inefficient strategies.

To address these challenges, it is essential for the government and regulatory authorities to establish unified guidelines for ESG finance target setting. In addition, providing incentives for compliance and implementing regular performance evaluations with structured feedback mechanisms will be critical in supporting consistency and improving effectiveness across the financial sector.

Table 14 Institutions with ESG Finance Targets, Categorized by Sector[11]

Unit: Trillion KRW

		Institutions	Target Year	Volume	Target Basis
Public	Pension Fund	Korea Credit Guarantee Fund	2024	13.8	Others
		Public Officials Pension Fund	2023	1.4	Outstanding Balance
		Employee Welfare Fund	2023	0.0	Investment Amount
	Public Bank	The Export-Import Bank of Korea	2030	205.8	Others
		Korea Development Bank	2030	154.0	Cumulative Investment Amount
		Industrial Bank of Korea	2030	38.0	Investment Amount
	Others	Korea Housing Finance Corporation	2029	162.6	Investment Amount
		Korea Post	2024	16.3	Outstanding Balance
		Military Mutual Aid Association	2024	1.0	Outstanding Balance
Private	Bank	NH NongHyup Bank	2030	101.9	Outstanding Balance
		KB Kookmin Bank	2030	50.0	Outstanding Balance
		Hana Bank	2030	28.0	Cumulative Investment Amount
		Woori Bank	2023	9.0	Investment Amount
		Shinhan Bank	2023	1.0	Investment Amount
	Life Insurance	Samsung Life Insurance	2030	20.0	Outstanding Balance
		NongHyup Life Insurance	2030	7.8	Outstanding Balance
		Hanhwa Life Insurance	2030	6.0	Others
	Non-Life Insurance	Samsung Fire & Marine Insurance	2030	15.5	Cumulative Investment Amount
		KB Insurance	2030	4.4	Outstanding Balance
		Hyundai Marine & Fire Insurance	2030	4.0	Others
	Securities	Mirae Asset Securities	2025	45.0	Others
		iM Securities	2024	2.4	Cumulative Investment Amount
		KB Securities	2024	1.5	Outstanding Balance
	Asset Management	NH-Amundi Asset Management	2025	4.1	Others
		BNK Asset Management	2024	0.3	Outstanding Balance

11. * The top three institutions by target amount were selected from each sector, except for the private banking sector, where all five banks that have set ESG targets were included.
** KB Kookmin Bank: It has the same target as KB Financial Group
*** Korea Trade Insurance Corporation: Around 5% of the average operating balance
**** Samsung Securities: Expanding the product lineup to 100 by 2025

ESG Finance Targets Set by Private Financial Groups

Table 15 Private Financial Group's ESG Financial Objectives

Unit: Trillion KRW

	Target Year	Target Amount	Target Standard
NH NongHyup Financial Group	2030	120.0	Outstanding Balance
Woori Financial Group	2030	100.0	Total Investment Amount
Hana Financial Group	2030	60.0	Cumulative Investment amount
KB Financial Group	2030	50.0	Outstanding Balance
Shinhan Financial Group	2030	30.0	Cumulative Investment amount
iM Financial Group	2024	6.4	Cumulative Investment amount

Among Korea's private financial groups, Woori, Hana, and KB Financial Groups have consistently reported the same ESG finance targets for the past four years, while Shinhan Financial Group has done so for three consecutive years. In contrast, NH NongHyup Financial Group revised its target setting criteria from the previous year, resulting in a fourfold increase in its target amount. As iM Financial Group was incorporated into the commercial banking sector in the first half of 2024, it is expected to gradually establish a more structured, long term ESG finance strategy over time.

As of 2023, the total amount of new ESG financing targeted by major financial groups was reported to be KRW 37.6 trillion. The breakdown by group is as follows: NH NongHyup Financial Group (KRW 8.0 trillion), Woori Financial Group (KRW 10.0 trillion), Hana Financial Group (KRW 6.0 trillion), KB Financial Group (KRW 4.6 trillion), Shinhan Financial Group (KRW 2.6 trillion), and iM Financial Group (KRW 6.4 trillion). Based on the stated targets, excluding groups without detailed plans, financial groups are expected to allocate KRW 111.0 trillion to the Environmental (E) pillar and KRW 127.2 trillion to the Social (S) pillar. The relatively small gap between the two figures suggests that financial groups are assigning similar levels of priority to both environmental and social objectives. These targets appear to reflect a strong focus on climate change mitigation and increased investment in renewable energy, alongside a continued commitment to social responsibilities such as job creation, affordable housing, and community support. This highlights the growing role of financial institutions in driving both environmental and social value through their investment strategies.

ESG is an inherently dynamic field, continuously shaped by evolving societal expectations, technological advancements, and regulatory developments. While early efforts were largely centered on coal divestment, the scope has since expanded to encompass broader fossil fuel divestment, alongside a growing emphasis on the transition to renewable energy. New priorities, such as plastic reduction and biodiversity conservation, have also emerged as integral components of ESG strategy. In this context, ESG-related financial targets must be regularly updated to reflect changing environmental conditions, shifting market dynamics, and newly introduced policy frameworks. However, concerns are mounting that Korean financial groups may not be adequately aligning their ESG strategies with these external changes or their internal capabilities. The repeated use and long-term retention of the same ESG financial targets year after year risks appearing outdated and unresponsive in today's rapidly evolving ESG landscape.

The limited responsiveness of Korean financial groups to evolving ESG priorities is not merely a matter of institutional will but reflects deeper structural challenges rooted in policy uncertainty and a lack of government credibility. While the Korean government has declared ambitious mid- to long-term goals such as achieving net-zero emissions, supporting renewable energy, and promoting ESG investment, it has yet to provide a clear roadmap or consistent support mechanisms for realizing these objectives. Frequent policy shifts, coupled with the absence of detailed implementation guidelines, hinder financial institutions from designing and executing long-term ESG strategies. To enable financial groups to adopt and pursue more forward-looking ESG targets, the government must establish a stable and coherent policy environment. Doing so will allow the financial sector to play a leading role in advancing ESG finance nationwide.

Table 16 ESG Finance Vision, Targets, and Action Plans for Private Financial Groups

Financial Group	Vision	Target	Tasks
NH NongHyup Financial Group	The Moment You Meet NHFG is the Beginning of Creating the Future	• Environmental (E): NongHyup defines green finance as environmentally sustainable financing aligned with the six environmental objectives outlined in the K-Taxonomy. The group aims to scale up green finance to KRW 30 trillion by 2030. • Social (S): Social finance encompasses inclusive finance for low-income individuals and small business owners, cooperative finance for social enterprises, and innovation finance supporting startups and high-tech industries. By 2030, NongHyup plans to expand its social finance portfolio to KRW 90 trillion.	• Environmental (E): The institution provides a wide range of financial support and investment across lending, project financing, and asset management to environmentally friendly projects, companies with core technologies for carbon neutrality, and the eco-friendly agriculture sector. Through these efforts, it aims to fulfill its role as a financial enabler of the low-carbon transition. • Social (S): By offering financial support through lending, project financing, and asset management for initiatives that contribute to environmental and social sustainability, the institution seeks to help address social inequality. It also enhances financial inclusion by delivering differentiated, customer centric financial services tailored to underserved and marginalized communities.
Woori Financial Group	Good Finance for the Next	• Plan Zero 100 (※ Commit to providing KRW 100 trillion in ESG financing by 2030 and achieving net-zero carbon emissions across both group operations and investment portfolios by 2050)	• Expand Eco-Friendly Management: Promote the activation of green finance, establish a comprehensive climate change response framework, and strengthen environmental management systems • Create Social Value: Expand the scope of social finance, enhance the rights and protections of financial consumers, and foster a corporate culture that respects human rights and embraces diversity • Strengthen Transparent Management: Strengthen ESG finance management frameworks, ensure transparent ESG disclosures, and enhance ESG governance practices
Hana Financial Group	Big Step for Tomorrow	• 2030 & 60 (Provide KRW 60 trillion in loans, investments, and funding for the green and sustainable sector by 2030) • Zero & Zero (Achieve zero carbon emissions at business sites and zero coal project financing by 2050)	• Advance 9 key initiatives under 3 core strategic pillars (accelerating the transition to a low carbon economy, contributing to society through finance, and enhancing decision making based on transparency and responsible management)
KB Financial Group	KB Green Wave 2030	• As part of the plan to reach KRW 50 trillion in ESG financial products by 2030, the group is targeting KRW 25 trillion in green investments and loans.	• Expand green investments and financing in alignment with national carbon neutrality strategies and the K-Taxonomy, with an emphasis on renewable energy and green industries • Expansion of inclusive financial products to support financially vulnerable groups, such as low-income and low-credit individuals, small businesses, and SMEs • Scaling up investment and product offerings for companies with exemplary corporate governance, along with the introduction of ESG themed products that encourage customer participation
Shinhan Financial Group	Do the Right Thing for a Wonderful World	• KRW 30 trillion eco-friendly finances will be mobilized by 2030	• Provision of financial support for eco-friendly technologies, renewable energy projects, and green management across large, medium, and small enterprises; promotion of green customer initiatives; and financing for circular economic efforts
iM Financial Group	ESG Leader in iMpact Finance	• Promote enterprise wide ESG management through ESG financing, while securing the group's long-term profitability and competitive edge	• Advance the sustainable finance framework and accelerate the development of innovative financial solutions • Sustainable Finance Framework: Designed to integrate core ESG values into the group's internal management systems, financial products and services, as well as credit and investment processes. It provides a structured approach to ESG management and aims to scale up sustainable finance practices across the organization. The framework includes quarterly monitoring of implementation progress and strengthens ESG linked incentives to encourage active participation by affiliates.

Current Status of Funding for Climate Crisis Response

Measures to Expand Financial Support for Climate Crisis Response[12]

1. By 2030, five policy finance institutions plan to provide a total of KRW 420 trillion in green finance.
2. To support approximately KRW 160 trillion in financial demand for renewable energy expansion, KDB and the five major commercial banks will jointly establish a Future Energy Fund totaling KRW 9 trillion by 2030, supplying risk capital to accelerate the transition.
3. In addition, IBK and the five major commercial banks will co-establish a Climate Technology Fund (KRW 3 trillion). Alongside the Innovation Growth Fund (KRW 5 trillion) and the Growth Ladder Fund (KRW 1 trillion), these efforts will mobilize a total of KRW 9 trillion by 2030 to support the development of climate technologies.

Table 17 Phase 1[13] Funding Structure of the Future Energy Fund

Unit: 100 Million KRW

Bank (Group)	Amount	Percentage
KDB Bank	2,520	20%
NH Bank	2,016	16%
KB Bank	2,016	16%
Shinhan Bank	2,016	16%
Woori Bank	2,016	16%
Hana Bank	2,016	16%

Table 18 Inclusion of Renewable Energy Finance in ESG Targets

Unit: Trillion KRW

Bank (Group)	Period	Amount
KDB Bank	2024	0.3
NH Financial Group	2024	0.2
Woori Financial Group	2024~2030	0.4
Hana Financial Group	Undetermined	
KB Financial Group	Undetermined	
Shinhan Financial Group	2024~2030	1.7(Variation possible)

In March 2024, the Financial Services Commission announced a plan to expand climate related financial support through collaboration among the government, public financial institutions, and private financial institutions. According to the plan, the financial demand for scaling up renewable energy infrastructure will reach KRW 160 trillion, with a total of KRW 188 trillion required to expand renewable energy power generation facilities by 2030. However, renewable energy projects face a key challenge which is their long payback periods, securing financing remains difficult.

In a strategic move to accelerate the energy transition, the KDB and five major commercial banks—NH NongHyup Bank, Woori Bank, Hana Bank, KB Kookmin Bank, and Shinhan Bank have jointly committed to establishing a new "Future Energy Fund" valued at KRW 9 trillion. The fund will primarily target investments in domestic renewable energy generation infrastructure, including solar and wind power projects. This unprecedented public-private financial collaboration is expected to serve as a catalyst for revitalizing the renewable energy sector, financing bottlenecks, and fostering a more sustainable energy ecosystem. Moreover, it is anticipated to play a vital role in laying the groundwork for Korea's carbon neutrality goals.

The fund launched with an initial KRW 1.3 trillion, with the possibility of future capital injections KDB has committed to contribute 20% of the fund, taking on the primary risk absorbing role to ease capital burden on commercial banks. In October 2023, the first phase of the fund was initiated, with KDB providing KRW 252 billion (20.0%), and each of the five commercial banks contributing KRW 201.6 billion (16.0%). The fund is managed by asset management subsidiaries affiliated with each participating bank.

In this survey, KDB and the five major banks reported confirmed funding amounts allocated for renewable energy infrastructure. However, due to differing target years and funding goals among institutions, direct comparisons were limited. While all institutions expressed a strong will to increase investment in renewable infrastructure, they also noted that a shortage of viable large-scale projects remains a critical barrier.

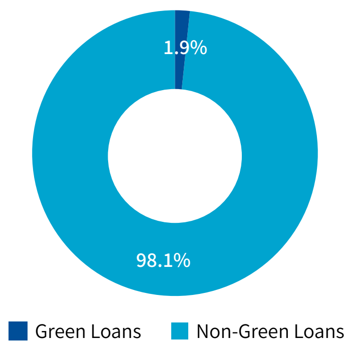
Currently, Korea's renewable energy projects remain in early stages, largely due to complex permitting procedures, local community opposition, and challenges in securing early-stage financing. Yet scaling up renewable energy is critical not only to achieve net-zero targets but also to enhance energy security and self-sufficiency in the face of global energy price volatility. To overcome these barriers, the government must expand financial support for early-stage renewable energy projects. This would help create a more effective financing environment where both public and private banks can deploy capital efficiently. Ultimately, such efforts will accelerate the transition toward a sustainable and resilient energy system.

12. KDI Economic Information and Education Center: https://eiec.kdi.re.kr/policy/materialView.do?num=249226
13. The total amount of funds for the first stage: KRW 1.26 trillion

Status of Green Loans by Private Bank

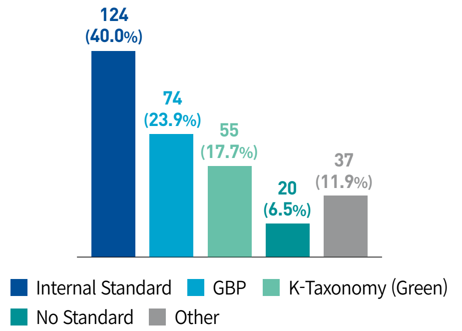
As of the end of 2023, the outstanding balance of green loans by private banks stood at KRW 31.7 trillion, accounting for only 1.9% of total loan assets

Graph 27 Share of Green Loans out of Total ESG Loans



Graph 28 Classification System Applied to Green Loans

Unit: Case (%)

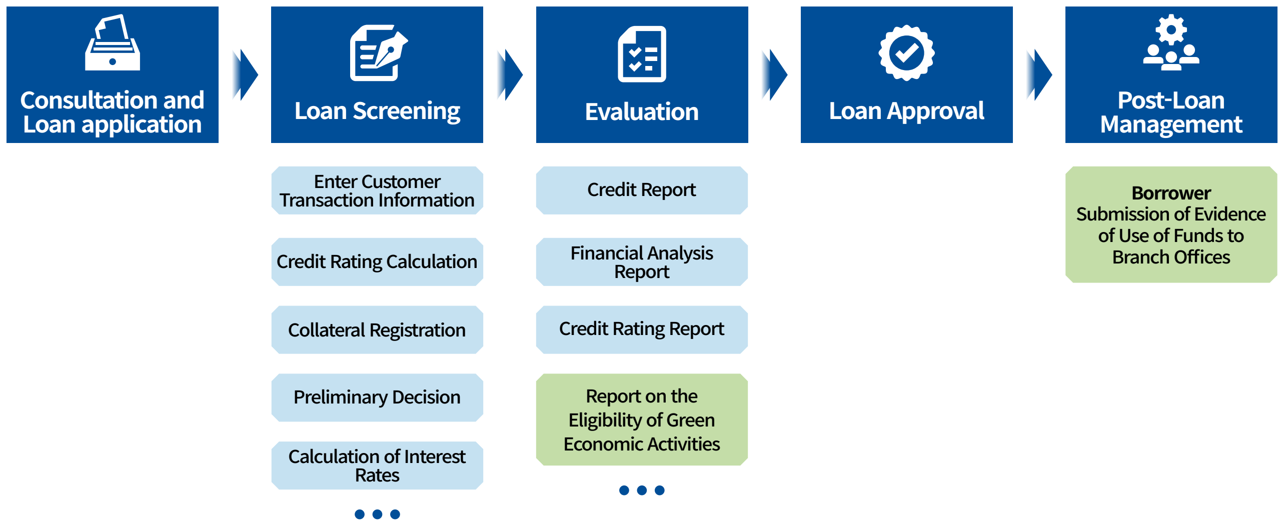


In December 2024, the Korean government introduced the Green Credit Management Guidelines to facilitate the application of the Korean Green Taxonomy to lending.[14] Some private banks had already begun issuing green loans even before the official release of the guidelines. As of the end of 2023, the total outstanding balance of green loans reported by the 12 domestic private banks that responded to the survey amounted to KRW 31.7 trillion. This marks a 38% increase from KRW 22.9 trillion in the previous year but still represents only 1.9% of their combined total loan assets of KRW 1,637 trillion.

The survey identified the lack of clear definitions and guidelines for what constitutes a green loan as a key barrier to the expansion of green loans. Among the 310 green loan cases reported by the 12 private banks as of the end of 2023, the most applied classification was each bank's own internal standard.[15], accounting for 124 cases (40.0%). This was followed by the Green Bond Principles (GBP) with 74 cases (23.9%), and the Korean Green Taxonomy – green category with 55 cases (17.7%). Meanwhile, 20 cases (6.5%) reported no specific classification applied, and 37 cases (11.9%) were based on other standards[16].

Green Loans Conformity Review Process

Picture 2 The Green Loan Eligibility Review



Note: The blue elements in the diagram represent the general corporate loan screening process, while the green elements indicate additional steps introduced for assessing green loan eligibility.

14. This survey on green loans was conducted in September and October 2024; therefore, the data and responses from financial institutions reflect practices in place prior to the government's introduction of the Green Credit Management Guidelines.
15. Although approaches vary across institutions, most have developed their own internal criteria by referencing the Korean Green Taxonomy or the Korean Green Bond Guidelines.
16. Other standards applied include the Korean Green Bond Guidelines (13 cases, 4.2%), the Sustainable Development Goals (SDGs) (12 cases, 3.9%), the Social Bond Principles (6 cases, 1.9%), the Climate Bonds Standard (5 cases, 1.6%), and the Korean Green Taxonomy's transition sector category (1 case, 0.3%).

Since 2023, some private banks have independently established and begun operating their own green loan eligibility assessment processes. The assessment is typically carried out either directly at the branch level or through a two step process, where the branch conducts an initial review and the ESG department performs the final evaluation. While the overall procedure for reviewing green loans is like that of general corporate loans, an additional step is included during the credit assessment stage: the ESG department prepares a report to determine whether the intended use of funds qualifies as a green economic activity. In some cases, banks also require borrowers to submit supporting documents verifying the actual use of funds after the green loan has been disbursed.

Operational Challenges in Green Loans

Private banks face two main challenges in operating green loan programs. The first relates to difficulties in determining whether the use of funds qualifies as a green economic activity during the credit assessment phase. Banks generally refer to the Korean Green Taxonomy (K-Taxonomy) or the Korean Green Bond Guidelines to make internal asessments on the eligibility of borrowers' economic activities. However, concerns have been raised regarding the limitations of conducting such assessments solely with in-house personnel, as the process requires specialized knowledge to interpret inclusion and exclusion criteria. Some institutions expressed concern that this could lead to misjudgments during the screening process.

The second challenge lies in the post loan management stage, particularly in the difficulty of comparing green loan performance across financial institutions. Before the introduction of the Green Credit Management Guidelines, banks applied different internal standards to define and classify green loans, making objective comparisons problematic. For example, banks with less stringent screening criteria may report higher volumes of green loans compared to those applying stricter standards. This inconsistency raises the risk of greenwashing and ultimately undermines transparency in the private green lending market.

What Needs to be Supplemented in the Green Lending Management Guidelines?

According to the guidelines, companies are principally responsible for determining the eligibility of fund use. However, in recognition of the limited understanding many companies have of the green taxonomy, financial institutions are permitted to make this determination on their behalf. To alleviate the burden of eligibility assessment, the guidelines allow exclusion and safeguard criteria to be verified through confirmation documents submitted by the borrower. The use of independent external review organizations is also permitted. Nevertheless, these basic provisions are unlikely to fully address the difficulties financial institutions face in making internal eligibility determinations. Therefore, it is necessary for the financial authorities to develop professional training programs to strengthen the capacity of financial institution personnel in assessing green loan eligibility.

The guidelines do not explicitly define a standardized methodology for measuring green loan performance. However, the definition and core components of green loans are clearly outlined. In addition, the financial authorities have stated their intention to regularly collect and disclose data on the status of green lending, which is expected to facilitate performance comparisons among financial institutions. Still, if the Green Credit Management Guidelines are not widely adopted[17] as a common standard across the financial market, future revisions should consider including standardized metrics for green loan measurement.

With the establishment of these guidelines, the foundation for scaling up green finance in Korea has only just been laid. Moving forward, financial authorities must monitor the effectiveness of the guidelines, gather feedback from financial institutions, and continuously improve the framework to ensure the expansion of capital flows into green sectors.

17. In light of the fact that green finance is still in its early stages, the financial authorities announced that they do not intend to mandate the guidelines at this time. Rather, financial institutions are encouraged to adopt them voluntarily during their lending practices.

ESG Investment by the NPS

The NPS responsible investment portfolio recorded strong growth for the second consecutive year, with a 52.9% increase in 2023 following a similar rate in 2022. As a result, responsible investments accounted for 56.7% of the NPS's total assets under management. However, despite this quantitative growth, the NPS remains notably passive in implementing responsible investment principles and engagement.

As of the end of 2023, the NPS recorded a total of KRW 587.2 trillion in responsible investments, KRW 245.8 trillion in directly managed assets and KRW 341.4 trillion in externally managed assets, marking a year-on-year growth rate of 52.9%. By asset class, equities accounted for KRW 468.1 trillion (domestic: KRW 148.0 trillion, overseas: KRW 320.1 trillion), and bonds totaled KRW 119.1 trillion (domestic: KRW 83.0 trillion, overseas: KRW 36.1 trillion). A key driver of the growth in the NPS's responsible investment portfolio in 2023 was the inclusion of KRW 138.5 trillion in directly managed overseas equities.

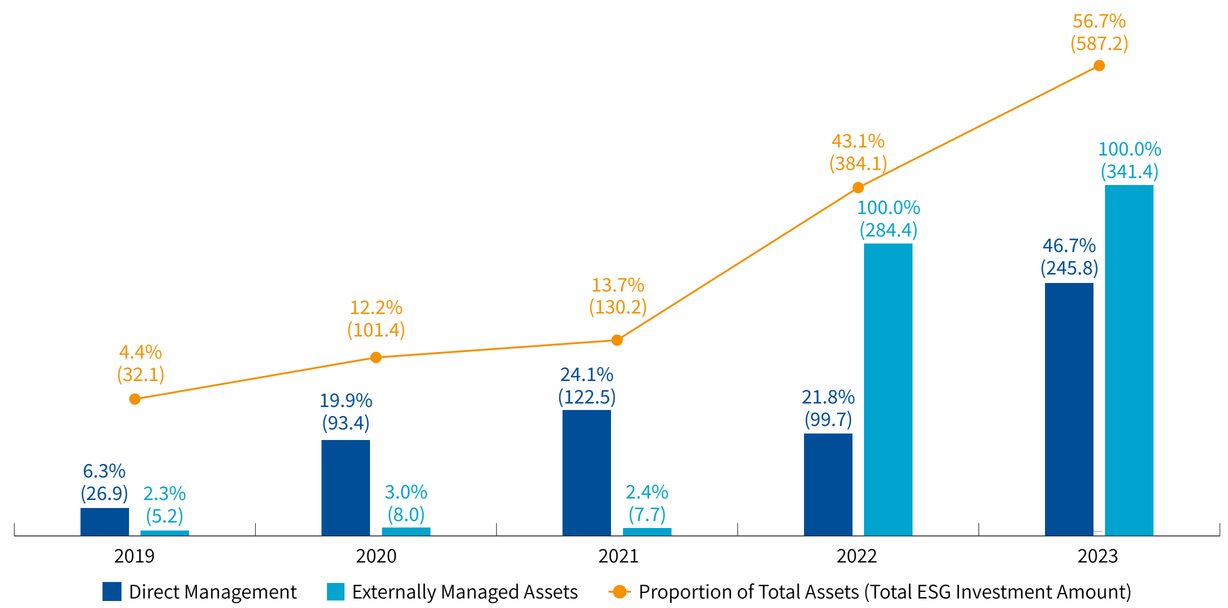
The NPS also reported a remarkable growth rate of 195% in 2022, following the inclusion of all externally managed assets in its responsible investment portfolio assets.[18]

The scope of ESG applied asset classes has steadily broadened over time: starting with domestic equities (both directly and externally managed) in 2020, domestic bonds (directly managed) in 2021, domestic and overseas equities and bonds (externally managed) in 2022, and finally, overseas equities and bonds (directly managed) in 2023.

Through its responsible investment expansion plan, the NPS had set a goal of applying ESG criteria to over 50% of its total assets by 2022. The proportion of responsible investments relative to total assets grew steadily rising from 13.7% in 2021 to 43.1% in 2022 and reaching 56.7% in 2023 effectively achieving the target.

Graph 29 ESG Investment Ratios in the NPS's Direct and Externally Managed Assets

Unit: %/Trillion KRW



18. Until 2021, the NPS included only those externally managed domestic equity assets that were explicitly classified as responsible investments in its reporting. However, as a follow-up to its "Responsible Investment Expansion Plan," the NPS adopted a new approach in 2022 based on the "Incentive Scheme for the Selection and Evaluation of External Managers". Under this scheme, the NPS began incorporating ESG-related factors such as whether an external manager had adopted the Stewardship Code and whether it had established responsible investment policies and guidelines into its selection criteria. Consequently, starting in 2022, the NPS began classifying all assets managed by external managers as responsible investments if the managers had adopted responsible investment practices and the Stewardship Code, even if individual assets were not specifically labeled as such.

The NPS's "ESG integration" strategy represents a significant policy initiative aligned with global trends in responsible investment. However, several challenges remain in its implementation.

According to the NPS's Responsible Investment & Governance Report, for directly managed assets, ESG integration is carried out by "developing internal systems and evaluation frameworks that enable investment managers to consider ESG factors alongside financial criteria in their decision-making processes." However, the current ESG evaluation system is only applied to directly manage domestic equities and bonds, and detailed methodologies beyond the general framework remain undisclosed, highlighting key limitations.

In particular, the NPS's decision in 2022 to classify all externally managed assets as responsible investments marked a significant departure from its previous standards and has been criticized as arbitrary and potentially controversial. As highlighted in KoSIF's 2022 Korea ESG Finance White Paper, this approach raises concerns about the overstatement of ESG investment volumes, as it lacks robust verification of how ESG factors are integrated or considered within externally managed portfolios. The risk of greenwashing was explicitly pointed out.

As of 2023, the NPS continues to classify the entirety of its externally managed assets as responsible investments. However, the evaluation of external managers remains largely procedural, relying on: (i) the submission of responsible investment reports from external managers, (ii) confirmation of the existence of RI-related policies and guidelines, and (iii) verification of whether RI activities are being maintained, rather than a rigorous verification of actual ESG implementation.

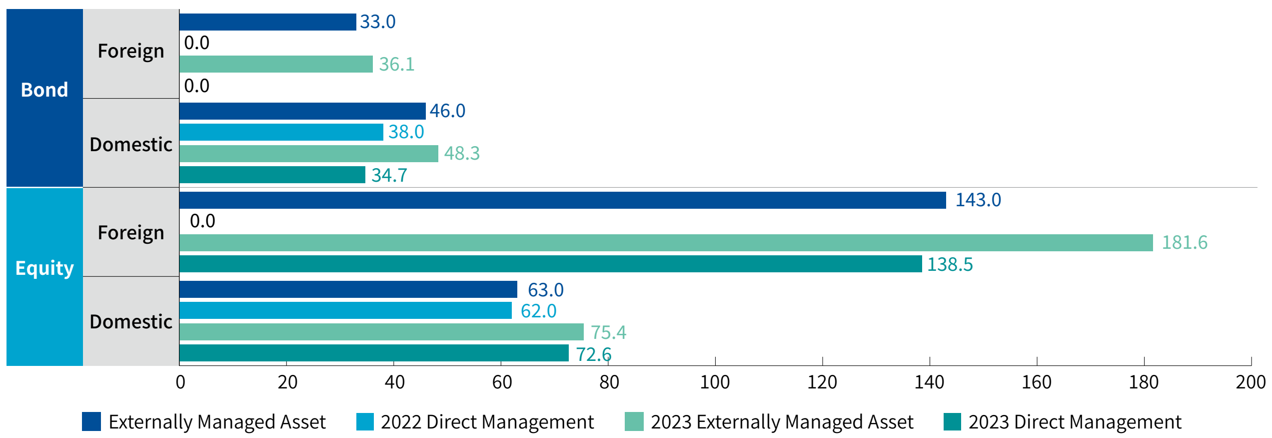
At the end of 2023, the NPS accounted for 32% of domestic ESG investments, making it a leading institutional investor in Korea's financial market. Nevertheless, its responsible investment and stewardship activities are still widely regarded as passive.

To address these challenges, the NPS should:(i) expand the scope of asset classes covered by ESG evaluation, while enhancing transparency by disclosing its ESG evaluation models and results in greater detail; (ii) establish more robust engagement criteria and monitoring procedures for external managers and investee companies, going beyond policy confirmation to verify the actual implementation of responsible investment; and (iii) proactively urge investee companies to disclose ESG information in alignment with global standards, especially in light of delays in mandatory ESG disclosure in Korea.

Such efforts would not only strengthen the NPS's responsible investment practices but also help improve the ESG disclosure standards of Korean companies, thereby enhancing trust, stability, and competitiveness in the domestic capital market.

Graph 30 **Breakdown of the NPS ESG Investments by Management Type** (As of the end of 2023)

Unit: Trillion KRW



Appendix

Appendix

TOP 5 Financial Institutions by Sector

Unit: Trillion KRW

Sector	Institution (Fund)	2023 Total Asset	2023 ESG Finance				Total ESG Finance
			Total ESG Loan	Total ESG Investment	Total ESG Product	Total ESG Bond Issuance	
Bank	NH NongHyup Bank	397.0	38.1	13.7	28.8	3.6	84.2
	Shinhan Bank	469.7	57.3	8.5	0.7	5.6	72.2
	KB Kookmin Bank	512.4	15.5	17.4	10.0	8.3	51.2
	Hana Bank	84.3	19.4	16.7	0.8	2.4	39.3
	Woori Bank	436.7	19.3	12.4	0.2	3.6	35.5
Life Insurance	Kyobo Life Insurance	115.1	5.1	6.8	0.0	1.6	13.5
	Samsung Life Insurance	279.5	2.1	7.5	0.0	0.0	9.6
	Nonghyup Life Insurance	53.3	0.9	5.3	0.0	0.0	6.2
	Hanhwa Life	114.8	0.4	2.8	1.6	0.9	5.8
	Heungkuk Life Insurance	24.3	1.1	2.3	0.0	0.0	3.4
Non-Life Insurance	Samsung Fire & Marine Insurance	83.6	2.3	4.1	3.7	0.0	10.2
	DB Insurance	44.9	0.0	2.1	7.3	0.0	9.4
	Hanhwa General Insurance	18.0	1.1	3.1	0.6	0.0	4.8
	Hyundai Marine & Fire Insurance	43.8	0.0	1.2	2.9	0.0	4.2
	KB Insurance	37.7	0.6	1.7	0.4	0.3	3.0
Asset Management	Mirae Asset Global Investments	122.2	0.0	0.7	0.0	0.0	0.7
	NH-Amundi Asset Management	3.1	0.0	0.7	0.0	0.0	0.7
	Midas Asset Management	1.4	0.0	0.6	0.0	0.0	0.6
	Shinhan Asset Management	15.0	0.0	0.4	0.0	0.0	0.4
	Woori Asset Management	37.0	0.0	0.4	0.0	0.0	0.4
Securities	Shinhan Securities	50.1	0.1	1.2	1.3	0.0	2.6
	Korea Investment & Securities	75.7	0.3	1.4	0.5	0.2	2.4
	KB Securities	56.0	0.4	0.9	0.5	0.1	2.0
	NH Investment & Securities	56.7	0.8	0.9	0.1	0.1	1.8
	Hana Securities	46.0	0.1	0.8	0.0	0.2	1.2
Public Finance	National Pension Service Fund	1035.4	0.0	587.2	0.0	0.0	587.2
	Korea Housing Finance Corporation	589.7	434.0	1.1	0.0	146.1	581.3
	Small and Medium Enterprise's Start-up and Promotion Fund	43.6	24.5	0.0	0.0	19.0	43.6
	Korea Credit Guarantee Fund	121.8	10.8	0.5	0.0	14.4	25.7
	Korea Post	151.0	0.0	16.7	5.4	0.0	22.1
	Korea Deposit Insurance Corporation Deposit Fund	19.2	0.0	2.7	0.0	0.2	2.9
	Public Officials Pension Fund	7.8	0.0	1.7	0.0	0.0	1.7
	Korea Teacher's Credit Union	64.2	0.0	1.3	0.0	0.0	1.3
	Military Mutual Aid Association	17.6	0.1	1.0	0.0	0.0	1.1
	Korea Technology Finance Corporation	3.8	0.0	0.3	0.0	0.3	0.6

2023 ESG Financial Target Status

Unit: Trillion KRW

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Public Financial Institution									
Employment Insurance Fund	Ministry of Employment and Labor	X	-		-	X	-	X	X
Public Officials Pension Fund	Ministry of Personnel Management	O	2023	Outstanding Balance	1.4	X	-	X	X
Korea Scientists & Engineers Mutual-aid Association	Ministry of Science and ICT	X	-		-	X	-	X	X
National Heritage Protection Fund	Ministry of Culture, Sports and Tourism	N/A	-		-	N/A	-	N/A	N/A
National Ocean Science Museum	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
National Maritime Museum	Ministry of Oceans and Fisheries	N/A	-		-	N/A	-	N/A	N/A
National Marine Biodiversity Institute of Korea	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
National Pension Service Fund	Ministry of Health and Welfare	N/A	-		-	N/A	-	N/A	N/A
Military Mutual Aid Association	Ministry of Defense	O	2024	Outstanding Balance	1.0	O	Investment	O	X
Military Welfare Fund	Ministry of Defense	X	-		-	X	-	X	X
Military Pension Fund	Ministry of Defense	N/A	-		-	N/A	-	N/A	N/A
Employee Welfare Fund	Ministry of Employment and labor	O	2023	Investment Amount	0.0	X	-	X	X
Fund for Management of the Geum River Basin	Ministry of Environment	X	-		-	X	-	X	X
Korea Technology Finance Corporation	Ministry of SMEs and Startups	X	-		-	O	Bond Issuance	O	O
Fund for Management of the Nakdong River Basin	Ministry of Environment	X	-		-	X	-	X	X
Inter-Korean Cooperation Fund	Ministry of Unification	X	-		-	X	-	X	X
Economic Development Cooperation Fund	Ministry of Economy and Finance	N/A	-		-	N/A	-	N/A	N/A
Radioactive Waste Management Fund	Ministry of Trade, Industry and Energy	X	-		-	X	-	X	X
Correctional Mutual Aid Association	Ministry of Justice	X	-		-	X	-	X	X
Patriots and Veterans Fund	Ministry of Patriots & Veterans Affairs	N/A	-		-	N/A	-	N/A	N/A
Secretariat of the Korea Lottery Commission (Lottery Fund)	Ministry of Economy and Finance	X	-		-	O	Investment	X	X
Busan Port Authority	Ministry of Oceans and Fisheries	X	-		-	X	-	X	N/A
Fund for Promotion of Development and Commercialization of Industrial Technology	Ministry of Trade, Industry and Energy	N/A	-		-	N/A	-	N/A	N/A

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Industrial Accident Compensation Insurance and Prevention Fund	Ministry of Employment and Labor	N/A	-		-	X	-	X	X
Asbestos Injury Relief Fund	Ministry of Environment	N/A	-		-	N/A	-	N/A	N/A
Fund for Establishment and promotion of Small and Medium Enterprises and Startups	Ministry of SMEs and Startups	X	-		-	X	-	X	X
Patriots and Independence Activists Fund	Ministry of Patriots & Veterans Affairs	N/A	-		-	N/A	-	N/A	N/A
Community Media Foundation	Korea Communications Commission	X	-		-	X	-	X	X
Korea Credit Guarantee Fund	Financial Services Commission	O	2024	Others	13.8	O	Bond Issuance	O	O
Korea Federation of Credit Guarantee Foundations	Ministry of SMEs and Startups	X	-		-	O	Product	X	X
Yeosu Gwangyang Port Authority	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Yeongsan and Seomjin River Systems Management	Ministry of Environment	X	-		-	X	-	X	X
Korea Deposit Insurance Corporation_ Deposit Fund	Financial Servies Commision	X	-		-	X	-	X	X
Korea Deposit Insurance Corporation_ Repayment Fund	Financial Servies Commision	X	-		-	X	-	X	X
Korea Post	Ministry of Science and ICT	O	2024	Outstanding Balance	16.3	O	Investment	O	X
Ulsan Port Authority	Ministry of Oceans and Fisheries	X	-		-	O	Loan, Bond Issuance	O	O
Incheon Port Authority	Ministry of Oceans and Fisheries	X	-		-	O	-	O	O
Wage Claim Guarantee Fund	Ministry of Employment and labor	N/A	-		-	X	-	X	X
Employment Promotion and Vocational	Ministry of Employment and labor	N/A	-		-	X	-	X	X
Rehabilitation Fund for Persons with Disabilities	Ministry of Employment and labor	X	-		-	X	-	X	X
Electric Power Industry Basis Fund	Ministry of Trade, Industry and Energy	Industry and Energy	X	-	-	X	-	X	X
Jeju Free International City Development Center	Ministry of Land, Infrastructure and Transport	X	-		-	X	-	X	X
Industrial Bank of Korea	Financial Services Commission	O	2030	Investment Amount	38.0	O	Loan, Investment, Product, Bond Issuance	O	O
Small and Medium Enterprise's Start-up and Promotion Fund	Ministry of SMEs and Startups	X	-		-	O	Bond Issuance	O	N/A
Han River Watershed Management Fund	Ministry of Environment	N/A	-		-	N/A	-	N/A	N/A
Korea Mine Rehabilitation and Mineral Resources Corporation	Ministry of Trade, Industry and Energy	X	-		-	X	-	X	X

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Korea Teacher's Credit Union	Ministry of Education	X	-		-	O	Investment	O	X
Korea Trade Insurance Corporation	Ministry of Trade, Industry and Energy	O	2024	Outstanding Balance	Around 5% of the average operating balance	X	Investment	X	X
Korea Broadcast Advertising Corporation	Korea Communications Commission	X	-		-	X	-	X	X
Korea Communications Agency	Ministry of Science and ICT	X	-		-	O	Investment	O	O
Korea Communications Agency (Fund for Promotion of Information and Communications)	Ministry of Science and ICT	X	-		-	X	-	X	X
Korea Venture Investment Corporation	Ministry of SMEs and Startups	N/A	-		-	N/A	-	N/A	N/A
Korea Development Bank	Financial Services Commission	O	2030	Cumulative Investment Amount	154.0	O	Loan, Investment, Product, Bond Issuance	O	O
Korea Fisheries Resources Agency	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
The Export-Import Bank of Korea	Ministry of Economy and Finance	O	2030	Others	205.8	X	-	X	X
Korea Fisheries Infrastructure Public Agency	Ministry of Oceans and Fisheries	N/A	-		-	N/A	-	N/A	N/A
National Research Foundation of Korea (Science and Technology Promotion Fund)	Ministry of Science and ICT	X	-		-	X	-	X	X
National Research Foundation of Korea (Nuclear Energy Fund)	Ministry of Science and ICT	X	-		-	X	-	X	X
Korea Housing Finance Corporation	Financial Services Commission	O	2029	Investment Amount	162.6	X	-	O	X
Korea Institute of Aids to Navigation	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Korea Institute of Ocean Sciences & Technology	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Korea Maritime Transportation Safety Authority	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Korea Institute of Maritime and Fisheries Technology	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Korea Hydrography and Research institution	Ministry of Oceans and Fisheries	X	-		-	O	Product	X	X
Korea Ocean Business Corporation	Ministry of Oceans and Fisheries	X	-		-	O	Loan, Investment, Bond Issuance	O	O
Korea Institute of Marine Science & Technology Promotion	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X
Korea Marine Environment Management Corporation	Ministry of Oceans and Fisheries	X	-		-	X	-	X	X

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Private Financial Institution									
Bank									
BNK Kyongnam Bank	BNK Financial Group	X	-		-	O	Loan, Product, Bond Issuance	O	O
Kwangju Bank	JB Financial Group	X	-		-	O	-	O	O
NongHyup Bank	NongHyup Financial Group	O	2030	Outstanding Balance	120	O	Loan, Investment, Product, Bond Issuance	O	O
National Agricultural Cooperative Federation	NongHyup Financial Group	X	-		-	X	-	O	X
Busan Bank	BNK Financial Group	X	-		-	O	Loan, investment, Product, Bond Issuance	O	O
Shinhan Bank	Shinhan Financial Group	O	2030	Cumulative Investment Amount	30	O	Loan, Investment, Product, Bond Issuance	O	O
Woori Bank	Woori Financial Group	O	2030	Investment Amount	100	O	Loan, Investment, Product, Bond Issuance	O	O
Jeonbuk Bank	JB Finnacial Group	X	-		-	O	-	O	O
Jeju Bank	Shinhan Financial Group	O	2025 (Mid-term) 2030 (Long-term)	Cumulative Investment Amount	18 (Mid-term) 30 (Long-term)	O	-	O	O
Hana Bank	Hana Financial Group	O	2030	Cumulative Investment Amount	60	O	Loan, Product, Bond Issuance	O	O
iM Bank	iM Financial Group	O	2024	Cumulative Investment Amount	6.4	O	Loan, Investment, Product, Bond Issuance	O	O
KB Kookmin Bank	KB Financial Group	O	2030	Outstanding Balance	50	O	Loan, Bond Issuance	O	O
Life Insurance									
Kyobo Life Insurance	Kyobo Life Insurance Group	X	-		-	O	Loan, Investment, Bond Issuance	O	O
Tongyang Life Insurance	Daja Insurance Group	X	-		-	O	Loan, Investment	O	O
MetLife Insurance	MET US	O	2030	Investment Amount	7.7	X	-	X	X
Mirae Asset Life Insurance	Mirae Asset Group	X	-		-	X	-	O	O
Samsung Life Insurance	Samsung Group	X	-		-	O	Loan, Investment, Product	O	O

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Shinhan Life Insurance	Shinhan Financial Group	O	2030	Others	30	O	Loan, Investment	O	X
Hanwha Life	Hanwha Group	N/A	-		-	O	Loan, Investment, Product, Bond Issuance	O	O
Heungkuk Life Insurance	Taekwang Group	X	-		-	O	Loan, Investment	O	O
ABL Life Insurance	Daja Insurance Group	X	-		-	O	Loan, Investment	O	O
AIA Life Insurance	AIA Group	X	-		-	X	-	X	X
DB Life Insurance	DB Group	X	-		-	O	-	O	X
IBK Insurance	IBK Bank	X	-		-	X	-	X	X
iM Life Insurance	iM Financial Group	N/A	-		-	X	-	X	X
KB Life Insurance	KB Financial Group	N/A	-		-	N/A	-	N/A	N/A
KDB Life Insurance	KDB Bank	X	-		-	O	Investment	O	O
NongHyup Life Insurance	NongHyup Financial Group	O	2030	Outstanding Balance	120	O	Loan, Investment, Product, Bond Issuance	O	O
Non-Life Insurance									
Lotte Insurance	Lotte Group	N/A	-		-	N/A	-	N/A	N/A
Samsung Fire & Marine Insurance	Samsung Group	X	-		-	O	Loan, Investment, Product	O	O
Korean Re	Korean Reinsurance Company	X	-		-	O	Loan, Investment, Bond Issuance	O	No response
Hanwha General Insurance	Hanwha Group	X	-		-	X	-	O	O
Hyundai Marine & Fire Insurance	Hyundai Marine & Fire Insurance	X	-		-	O	Loan, Investment, Product	O	O
Heungkuk Fire & Marine Insurance	Taekwang Group	X	-		-	X	-	X	X
DB Insurance	DB Group	X	-		-	X	-	X	X
KB Insurance	KB Financial Group	O	2030	Outstanding Balance	50	O	Loan, Investment, Bond Issuance	O	O
NongHyup Property & Casualty Insurance	NongHyup Financial Group	O	2030	Outstanding Balance	120	O	Loan, Investment, Product	O	O

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Seoul Guarantee Insurance	Seoul Guarantee Insurance	X	-		-	O	Investment, Product	O	X
Securities									
Kyobo Securitie	Kyobo Life Insurance Group	X	-		-	O	Investment, Product, Bond Issuance	X	X
Daol Investment & Securities	Daol Financial Group	X	-		-	O	Investment	O	O
Daishin Securities	Daishin Financial Group	X	-		-	X	-	X	O
Leading Investment & Securities		X	-		-	X	-	X	X
Meritz Securities	Meritz Financial Group	X	-		-	O	-	O	X
Mirae Asset Securities	Mirae Asset Group	X	-		-	O	Loan, Investment, Product, Bond Issuance	O	O
Bookook Securities	Hanil Group	X	-		-	O	Loan, Investment, Product	O	O
Samsung Securities	Samsung Group	X	-		-	O	Investment, Product, Bond Issuance	O	O
Sangsangin Investment & Securities	Sangsangin Financial Group	X	-		-	X	-	X	N/A
Shinyoung Securities		X	-		-	O	Investment	O	O
Shinhan Securities	Shinhan Financial Group	O	2030	Cumulative Investment Amount	30	O	Loan, Investment, Product, Bond Issuance	O	O
iM Securities	iM Financial Group	X	-		-	O	-	X	O
Yuanta Securities Korea	Yuanta Financial Group	X	-		-	X	-	X	X
Eugene Investment & Securities	Eugene Group	X	-		-	O	Investment, Product	O	O
Yuhwa Securities		X	-		-	X	-	X	X
Kakaopay Securities	Kakao	X	-		-	O	Loan	O	O
Cape Investment & Securities	Cape	X	-		-	X	-	X	X
Korea Asset Investment Securities		X	-		-	O	Investment	X	X

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Kiwoom Securities	Daou Tech Inc.	X	-		-	X	-	X	X
Hana Securities	Hana Financial Group	O	2030	Cumulative Investment Amount	60	O	Loan, Investment, Product, Bond Issuance	O	O
Korea Investment & Securities	Korea Investment Holdings	X	-		-	X	-	O	X
Hanwha Investment & Securities	Hanwha Group	X	-		-	X	-	X	X
Hyundai Motor Securities	Hyundai Motor Group	X	-		-	O	Investment	O	O
Heungkuk Securities	Taekwang Group	X	-		-	X	-	X	X
BNK Securities	BNK Financial Group	X	-		-	O	-	O	O
DB Securities	DB Group	X	-		-	X	-	X	X
DS Investment & Securities		X	-		-	O	-	O	O
IBK Securities	IBK Bank	X	-		-	X	-	X	X
KB Securities	KB Financial Group	O	2030	Outstanding Balance	50	O	Loan, Investment, Product, Bond Issuance	O	O
LS Securities	LS Group	X	-		-	O	Investment	O	O
NH Investment & Securities	Nonghyup Financial Group	O	2030	Outstanding Balance	120	O	Loan, Investment, Product, Bond Issuance	O	O
SK Securities	SK Group	X	-		-	O	Loan, Investment, Product, Bond Issuance	O	O
Asset Management									
Kyobo AXA Investment Managers	Kyobo Life Insurance Group	X	-		-	O	Product	O	X
Daol Asset Management	Daol Financial Group	X	-		-	X	-	X	X
Daishin Asset Management	Daishin Financial Group	X	-		-	O	Investment, Product	O	O
Midas Asset Management		X	-		-	O	Investment	O	O
Mirae Asset Global Investments	Mirae Asset Group	X	-		-	O	Investment	X	X
Barings	MassMutual	X	-		-	X	-	X	X

Institution (Fund)	Main Authority	ESG Financial Target*				K-Taxonomy		Korea Green Bond Guidelines	Korea Green Lending Guidelines
		Target Setting	Target Year	Target Criteria	Target Amount	Implementation/ planning Status	Scope of Application	Implementation/ planning Status	Implementation/ planning Status
Samsung Active Asset Management	Samsung Group	X	-		-	O	Investment	X	X
Shinyoung Asset Management		X	-		-	X	-	X	X
Shinhan Asset Management	Shinhan Financial Group	O	2030	Others	30	O	Product	O	X
Woori Asset Management	Woori Financial Group	O	2030	Investment Amount	100	O	Product	O	O
Truston Asset Management	BNK Financial Group	X	-		-	O	Investment, Product	O	O
Hanwha Asset Management	Hanwha Group	X	-		-	O	Investment, Product, Bond Issuance	O	N/A
Hyundai Investments	Hyundai Marine & Fire Insurance	X	-		-	X	-	X	X
Heungkuk Asset Management	Taekwang Group	X	-		-	X	-	X	X
BNK Asset Management	BNK Financial Group	X	-		-	O	Product	O	O
DWS Asset Management	Deutsche Bank Group	O	-		-	O	Investment	O	O
IBK Asset Management	Industrial Bank of Korea	X	-		-	X	-	O	O
IM Asset Investment & Management	DGB Financial Group	X	-		-	X	-	X	X
KDB Infra Asset Management	Korea Development Bank	X	-		-	O	-	O	X
NH-Amundi Asset Management	Nonghyup Financial Group	O	2030	Outstanding Balance	120	O	Product	O	O

※ For public Institutions, it was prepared based on the organization's ESG Financial Targets
※ For private Institutions, it was prepared based on the financial group's ESG Financial Targets

KOREA ESG FINANCE WHITE PAPER 2023

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