
Abstract

ESG management is still insufficient in all aspects of preparation and operation for SMEs. Large corporations are successfully introducing and operating ESG management through specialized organizations, manpower, and financial input to meet the importance of ESG, market survival, and government policies. However, SMEs cannot help but be passive in introducing and operating ESG due to insufficient conditions compared to large enterprises, and there are many difficulties in acquiring ESG response capacity without active support from the public sector such as Gyeonggi-Do.

Gyeonggi-Do's policy support structure is still insufficient considering the importance and necessity of introducing ESG by SMEs in Gyeonggi-Do. The satisfaction with Gyeonggi-Do's current policy support level for ESG introduction and operation is low at 38.2 points out of 100 points. The 77.1% of SMEs agree on the need for future support for Gyeonggi-Do. SMEs mainly point out difficulties related to ESG introduction and operation, such as lack of ESG experts, lack of information related to ESG introduction and practice, lack of ESG understanding education and guidance materials, limited financial resources, and lack of awareness among CEOs and employees. Gyeonggi-Do has started to launch the 'corporate ESG management introduction base creation project' with an investment of 100 million won from 2022, but it is far insufficient compared to the demand of SMEs. In addition, the ESG ordinances or an internal promotion system is not well established.

Gyeonggi-Do promotes the basic direction and strategy of SMEs' ESG policy with an emphasis on 'support', and SMEs need to enhance their own response capabilities. Gyeonggi-Do requires a strategic approach to induce the introduction of ESG by preparing a separate support plan for the E(environmental) sector, which has a high burden on SMEs, and providing incentives for the S(social) and G(government) sectors. The policy support

that SMEs want from Gyeonggi-Do is economic support > reinforcement of certification and publicity for ESG excellent companies > expansion of the provision of ESG training opportunities and information materials > provision of guidebook and guidelines for introducing ESG management reflecting the characteristics of SMEs > policy finance according to ESG performance > introduction of additional points in public offerings and expansion of public purchase for excellent ESG companies > reinforcement of ESG management consulting support. Small and medium-sized enterprises (SMEs) should actively engage in strengthening their own responsiveness along with Gyeonggi-Do's support policies. Support to reduce the initial cost and burden of introduction for SMEs in Gyeonggi-Do is important for the success of SME ESG management, but above all else, it is important for companies to raise their ESG mindset and prepare the foundation for introduction and operation.

Gyeonggi-Do should promote customized support for consumers and establishment of ESG support infrastructure, and SMEs should strengthen their own response capabilities to promote ESG introduction and operation. It is necessary to systematically promote the tasks by priority by dividing them into short-term(~2025) and mid/long-term(2026~) tasks in order to achieve this strategy.

Gyeonggi-Do and SMEs need to promote the following short-term priority tasks; ESG education and consulting for SMEs, promotion of measures to expand the ESG awareness base differentiated by SME type, promotion of customized support for E(environmental) sector differentiated according to company characteristics, preparation and utilization of Gyeonggi-Do SME-type ESG evaluation management index, establishment of ESG management guidelines for SMEs in Gyeonggi-Do, establishment of support-related institutional foundations, introduction of additional points in public offerings and expansion of public purchase for excellent ESG companies, raising ESG awareness for executives and assigning ESG personnel in SMEs, activation

of self-diagnosis through ESG checklists, reinforcing self-preparation and responsiveness to important evaluation indicators for each ESG factor, and encouraging the use of educational materials provided by central institutions such as the Korea Chamber of Commerce and Industry.

Gyeonggi-Do and SMEs need to promote the following mid/long-term priority tasks; promotion of intensive support for the priority policy needs of SMEs, operation of Gyeonggi-Do SME ESG public-private council, reinforcement of ESG excellent SMEs certification and PR, strengthening self-response strategies for E(environmental) sector, strengthening ESG collaboration between large and small businesses, operation of SME CEO ESG forum, support for conversion and construction of eco-friendly process facilities, support for achieving Net Zero, and support for priority areas among the elements of S(social) and G(governance)

Keyword ESG, SMEs, Sustainable Management, Net Zero, Climate Crisis, CSR