Customer–Related Information Disclosure in Selected Financial Institutions: Quest for Sustainability

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ABSTRACT

This empirical study aims to examine the extent of customer-related information disclosures in nine Malaysian banks and financial institutions' sustainability reports or integrated reports in 2022 via content analysis. All banks disclosed Assessment of customers, for example, ESG risk grade, sector-specific ESG Risk Assessment. More than 70% of the banks disclosed: 1) leadership support; 2) material supports – customers; 3) Employee Training – provide services to customers/training in sustainable financing; 4) financial inclusion; and 5) green financing. All these reported initiatives indicated banks' commitment to the ASEAN taxonomies blueprint. The findings from this research contribute to the broader conversation on customer service and sustainability and provide a roadmap for policymakers, financial institutions, and investors, facilitating the acceleration of Malaysia's transition towards a greener, more resilient financial sector in the evolving landscape of the Future of Asia.

Keywords: *customer-related information, disclosure, sustainability, financial institutions*

INTRODUCTION

Financial institutions are pivotal in advancing sustainability agendas by integrating environmental, social, and governance (ESG) goals into their operations and disclosures. Today, these ESG goals fall under conventional financing choices as compared to the past where impact and ethical investors used to be the domain where nonfinancial risk was taken into consideration (Dye et al., 2021). In recent years, all financial institutions worldwide publish ESG reports that outline their impact as well as the standards by which investments related to ESG should be made (Dye et al., 2021). Through the funding of green projects, financial inclusion promotions, and the implementation of responsible lending practices, these institutions support broader sustainability goals, namely the United Nations Sustainable Development Goals (SDGs). In SDGs, 17 objectives were created in 2015 and address many of the major issues of the present day, such as consumption, energy, diversity, poverty, climate change, and indigenous rights (Dye et al., 2021). When comparing Malaysian banks to their international counterparts, it becomes clear that, although at varying rates, there is a growing trend of integrating sustainability into key business strategies (Jan et al, 2018). This disparity affects the breadth and depth of disclosures on customers, as top organizations frequently establish standards for transparency and accountability. Therefore, improved disclosures on customers-related information have the potential to increase trust and involvement, which in turn can promote a more sustainable financial industry.

As financial institutions continue to navigate the evolving landscape of customer excellence, customer loyalty and service quality, the background of customer-related information disclosure holds significant importance in ensuring transparency, trust, and accountability (Rodríguez-Gutiérrez et al., 2013). Financial institutions now understand that disclosing customer-related information involves more than just following the rules and regulations. It is essential to developing trust in the community and long-term connections with their customer base. The importance of financial institutions adhering to legal and ethical criteria when handling consumer data has increased in recent years. Comparing institutions that regularly disclose detailed customer-related information with those that do not highlights the benefits of transparency, including improved stakeholder relationships and enhanced corporate reputation. Furthermore, transparent disclosures can lead to better risk management and informed decision-making, as they provide a clear picture of customer needs and concerns, ultimately contributing to sustainable business growth.

Besides, customers are fundamental to determining the success of businesses (Chmielewski & Malinowska, 2023). Providing excellent service to customers is essential for financial institutions to maintain competitive advantage, customer loyalty, and trust. In a highly competitive market, superior customer service differentiates institutions, leading to increased customer retention and positive word-of-mouth (see Woodruff, 1997). Research suggests that companies who improve products and services in order to cater crucial needs of customers produce higher levels of satisfaction (Flint et al., 2011; Anderson & Sullivan, 1993). Excellent service is closely linked to transparency in customer-related information, as informed customers are more likely to feel valued and understood. As a result of this, determining the needs of the customer with regard to the products and other elements that are closely associated with them is a crucial part of how a company operates. Institutions that excel in customer service often experience enhanced reputation and market share, reinforcing the importance of prioritizing customer satisfaction.

To achieve sustainability in businesses, customers play a pivotal role as major stakeholders (Mohammad Aminuddin & Mohd Farid, 2020; Liu et al., 2019). Their experiences, preferences, and responses have a direct impact on financial institutions' sustainability policies. Customers who are involved and knowledgeable fuel the market for sustainable goods and services, which in turn pushes establishments to embrace and reveal sustainable methods (Deshmukh & Tare, 2024; Anuradha et al., 2023). Customer-centric organizations are more likely to succeed in their sustainability initiatives as compared to companies who place less emphasis on customer service, i.e. banks can boost customer loyalty and differentiate themselves in a crowded market by incorporating environmental and social responsibility into their core operating operations (Deshmukh & Tare, 2024). In addition to cost savings and resource conservation, implementing sustainable practices can increase a company's long-term. Customers' preferences for eco-friendly and socially responsible products can propel institutions towards sustainable innovation and enhanced disclosure practices, aligning the banking sector with sustainability goals and fostering a culture of corporate responsibility.

Previous research on the reporting of customer-related information has mostly concentrated on the scope and quality of disclosures, the effect on customer loyalty and trust, and the legal frameworks governing these activities. Even though some studies highlight the best practices for disclosing information on customers, they sometimes fail to provide a thorough study of how these policies affect sustainable outcomes, particularly in the banking sector. When the results of different studies are compared, discrepancies in reporting guidelines become apparent, and further investigation is required to determine whether customer-related disclosures and long-term sustainability performance are positively correlated. Closing this gap can lead to a more in-depth understanding of how sustainability objectives are best promoted by optimizing disclosure procedures in selected Malaysian banks and financial institution). In the modern business landscape, a vital component of sustainability and profitability is financial institutions disclosing information relating to their customers. For this reason, the paper aims to examine the extent of customer-related information disclosures in selected Malaysian banks and financial institutions' sustainability reports or integrated reports in 2022.

LITERATURE REVIEW

Sustainability, a concept that is interchangeable with sustainable development, defines resources as social, economic and environmental (Sideri, 2021). In the business world, sustainability refers to how companies manage their opportunities, responsibilities, and risks in the areas of the economy, society, and environment (Jan et al., 2018). Sustainability reporting is, at its core, the communication of ESG goals and the steps taken to date towards their accomplishment. It evaluates the action plan put in place to achieve its goals, going beyond simply articulating the company's intentions for sustainability (Anderson, 2024). In other words, it is where companies disclose their performance as well as effects on various sustainability topics, comprising ESG aspects (EcoVadis, 2022). Sustainability reporting has emerged important due to the expanding focus on the companies' responsibilities towards the society, environment and especially the stakeholders in which it functions (Dilling, 2010).

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However, there has been criticism over the economic and technological contributions of business due to the emergence of social and environmental issues over time such as resource consumption, product quality and safety, environmental pollution and others (Şahin & Çankaya, 2019; Han et al., 2019; Raisa & Asep, 2019). Financial institutions and especially banks, which are significant stakeholders of economic growth, are one of the most blamed sectors in terms of the environmental and social damages, leading to ethical issues (Bronzini et al., 2024). As customers' concerns about sustainability grow, they anticipate that businesses will address social and environmental challenges. A stream of research supports this notion. Through the use of sustainability reports, businesses may show their customers that they are living up to customer expectations by communicating their efforts to address these challenges. Businesses may connect with customers that value sustainability in their purchase decisions by demonstrating how they are handling resource usage, product quality and safety, and environmental impact (Becker-Olsen et al., 2006; Fatma & Rahman, 2015; Brown & Dacin, 1997). Henceforth, the social, environment and also the collective contribution in the long term determine businesses' success rather than the advancements of technologies and economies that meet the needs of humans and future generations (Şahin & Çankaya, 2019). Therefore, sustainability reports are made compulsory in many countries and are fundamental in corporations as they enable companies to become more open about the possibilities and risks, they encounter, providing stakeholders with more information about performance than just the core (Aktas et al., 2013; EcoVadis, 2022).

In the context of financial institutions, sustainability reports disclose information on customer loyalty, customer satisfaction levels and feedback mechanisms. According to Ngo and Nguyen (2016), customer loyalty can be loosely referred to customers' behaviour of repurchasing products or services. This is usually evaluated through the satisfaction of customers with the products or services offered by a business, resulting in a trust-based relationship with the business in the long run and high tendency of repurchasing the products (Arslan, 2020; Ngo & Nguyen, 2016). Customer satisfaction, on the other hand, measures how well a company providing products and services meets or surpasses the expectations of customers (Nguyen, 2022). A stream of research in the field of relationship marketing agrees that customer satisfaction and customer feedback play a significant role on the level of customer loyalty (Flint et al., 2011; Tsai et al., 2010; Mittal & Kamakura, 2001). Tailoring products and services based on customer feedback such as their needs and preferences enhance customer satisfaction and loyalty, which can lead to more stable and sustainable business growth (Lee et al., 2011; Xu & Walton, 2005). This comprehensive reporting aligns with broader ESG goals, showcasing the bank's dedication to sustainable practices and stakeholder inclusivity.

In Malaysia, financial institutions are bound by Bursa Malaysia's revised sustainability reporting criteria to improve the transparency of their sustainability operations. This involves thorough reporting on customer management and product responsibility. Customer management involves the techniques for obtaining and addressing customer feedback whereas product responsibility ensures that financial products satisfy customers' demands in an ethical and responsible manner (see Bursa Malaysia, 2015). When customers' needs and preferences are being met, they achieve satisfaction and become more inclined to remain with the bank, use additional services, and recommend the bank to others, creating an efficient cycle of economic sustainability (Mohammad Aminuddin & Mohd Farid, 2020; Anis & Mohd Farid, 2019).

Additionally, the responsiveness of financial institutions, namely banks, tailoring products and services to cater customers' needs and preferences contribute to social sustainability by fostering financial inclusion, mitigating risks and promoting equitable access to financial services for all segments of the population, including underserved and marginalized communities. A body of research claims that the community often emphasises that banks should maintain a responsible behaviour in the social aspect towards individuals and stakeholders as they substantially benefit from society (Macca et al., 2024; Nguyen, 2022; McDonald & Rundle-Thiele, 2008). In other words, all customers regardless of their socioeconomic backgrounds should be provided equal access to the products and services offered by banks since they contribute to economic empowerment and bridging the aforementioned with inclusive growth.

According to the Financial Inclusion Framework 2023-2026 Strategy Paper produced by Bank Negara Malaysia, in order to enable consumers to save, invest, mitigate risk, and create financial buffers for both present and future needs, financial inclusion policies must enable meaningful access to and efficient use of reasonably priced financial goods and services, i.e., making financial services accessible and affordable to all segments of society, particularly the underserved and unbanked populations. Making wise financial judgments requires information and abilities, which are necessary for this to occur. Additionally, initiatives designed to empower and educate communities about financial literacy and services, especially to the youth and underserved, are also included in financial inclusion. Through the initiatives taken, this will boost the economy, encourage socioeconomic growth, and help people and businesses become more resilient and financially healthy, promoting and maintaining social sustainability in the long term (see Bank Negara Malaysia, 2022). To add on, through the emphasis on aforementioned areas as well as other customer-related information such as sustainability matters, risk assessments, performance in terms of customer excellence, sustainability governance, responsible marketing, responsible financing, and GRI standards in their sustainability reports, these financial institutions are demonstrating their dedication to social responsibility, which includes treating consumers fairly and ethically.

In recent times, green finance has gained importance as a result of the global agreement on environmental preservation, climate change action, and the accomplishment of the Sustainable Development Goals (SDGs) by 2030 (Amidjaya & Widagdo, 2019; Dörry & Schulz, 2018). The notion of "green finance" has the potential to significantly contribute to the accomplishment of the SDGs, particularly targets 11, 12, and 13 (Rahman et al., 2022). There are several terms used to describe green finance, including "sustainable finance," "environmental finance," "climate finance," and "green investment" (Akomea-Frimpong et al., 2021). At the eleventh G-20 summit in Hangzhou, China in 2016 (Liu et al. 2019; Schäfer 2018), green finance achieved an unprecedented level of significance and was extensively reported on and analyzed. Annual reports from financial institutions often highlight how green finance is integrated with customer-related elements. Green loans and green bonds are examples of initiatives that show an effort to encourage sustainable behaviors and involve clients in environmentally friendly financial products and services. A green loan is a type of financing that allows consumers to allocate the funds only to initiatives that significantly advance an environmental goal whereas green bonds involve the proceeds being allocated to initiatives addressing the environment or climate change, including renewable energy projects (The World Bank, 2021; Chase, 2021). Banks may facilitate environmental conservation and climate action by customizing these products to meet client preferences and thereby increasing their uptake and impact. For example, banks can offer customers programs and incentives to encourage sustainable practices, i.e. lower interest rates for green loans and rewards for implementing eco-friendly technologies.

Alliance for Financial Inclusion, or AFI (2021), stated that financial inclusion also plays a part in building individual and collective resilience to climate change impacts. In short, financial institutions also provide support on green financing to strengthen environmental sustainability. Green finance is becoming increasingly significant in the banking industry as a result of efforts to protect banks and society at large from unforeseen future economic issues brought on by unexpected global financial events, the climate catastrophe, social unrest, and corporate misconduct (Ziolo et al. 2019). A wealth of research substantiates this knowledge. There have been studies on the profitability in green finance development of financial institutions (Liu et al., 2020). For instance, financial institutions who integrate green finance are open with possibilities in gaining social recognition which allow them to execute financial business successfully besides strengthening their financial performance (Chami et al., 2002; Abuatwan, 2023). Subsequently, interest in green financing has recently increased as a result of recent international agreements on environmental preservation, efforts to raise public awareness of climate change and mitigate future economic obstacles that are unexpected, and UN support for the SDGs by 2030 (Akomea-Frimpong et al., 2021; Rahman et al., 2022; Ziolo et al., 2019). In developing countries, establishing a sustainable and productive green economy through environmentally friendly projects and also sustainable development is a major avenue for growth (Liu et al., 2020; Endrikat et al., 2021; Qi, 2021; Chen et al., 2018).

In addition to being an ethical concern, sustainability may soon turn into an existential and economic one for banks, creating a new class of risk known as ESG risk (Tashtamirov, 2023). Today, financial institutions are making an increasing amount of effort to adjust to the implementation of environmental, employee, and society protection policies in order to address the rising concerns of customers (Boufounou et al., 2023; Tripopsakul & Puriwat, 2022). The production and introduction of goods and services labeled as green, accountable, or environmentally friendly onto the market is seen to be primarily motivated by the aforementioned growing consumer concern (Boufounou et al., 2023; Lubowiecki-Vikuk et al., 2021). It is evident from the aforementioned how customers and ESG indicators are related to one another. Executives in banks must comprehend how sustainable and productive initiatives can be integrated into their company culture, risk management, and development plan, especially in light of sustainable development, which is the new obstacle facing contemporary companies, and disclose a narrative statement of their management on these risks (WWF, 2017). Based on a reported issued by WWF (2017), Bursa Malaysia published the Sustainability Reporting Guide as well as Sustainability Reporting Toolkit for the banks to adhere as the guidelines posed advocate that companies efficiently assess the involved risks that may have an impact on their operations by adding these elements into their risk framework. Through ESG efforts, financial institutions are able to recognise the urgent need to protect their businesses, customers, and society (Boufounou et al., 2023). Consequently, companies can improve their standing with investors and customers, comply with regulations, and more skilfully negotiate possible obstacles.

METHODOLOGY

A content analysis of nine banks' sustainability reports or integrated reports for the year 2022 has been carried out to achieve the objective of this paper i.e., to analyse customer-related information. The samples of commercial banks and international banks were strategic and aligned with the research objectives. The aim was not to provide a comprehensive view of the entire national landscape of service management but rather to analyse customer-related information disclosure practices among selected banks. The selection of banks for this study was driven by the availability of data. In our study, we analysed textual content on banks' sustainability reports or integrated reports to assess the presence and depth of information related to customer aspects. The content analysis was performed in May 2024.

The entire sustainability reports or integrated reports relating to customer-related information have been explored, read (several times), and reviewed. In this study, the researchers drew upon the work of Joseph et al. (2023) and adapted their principles to enhance methodological rigor and uphold the reliability of the findings. The process is summarised as follows:

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1. Defining Data Categories: Before data collection, specific categories of information relevant to this study were identified, including but not limited to:
   a) sustainability governance
   b) sustainability performance
   c) sustainability matters

   An extensive literature review was conducted to identify common themes, best practices, and key elements of customer-related information disclosure.

2. Keyword Search: Within the identified reports sections, keyword searches using terms such as ‘customer’, ‘customer experience’, and ‘customer satisfaction’ were conducted.

3. Data Extraction: For each bank, data based on the predefined categories were systematically extracted. This included recording the presence or absence of specific information and details about customer aspects. Initially, the items captured were 20 categories consisted of 33 items. Further refinement of items and regrouping of categories were made to ensure mutual exclusiveness. The final checklist consisted of nine categories with 34 items.

   The customer-related information disclosure items under nine categories are as follows:
   a) Organizational
   b) Risk assessment
   c) Performance – customer excellence
   d) Sustainability matters
   e) Sustainability governance
   f) Responsible marketing
   g) Employee well-being
   h) Sustainable responsible financing
   i) GRI standard

The existence of customer-related information was awarded ‘1’ and ‘0’ if otherwise. To improve the reliability of findings, inter-rater reliability was performed. It was conducted to evaluate the conformity among researchers in their content analysis of sustainability or integrated reports. This procedure was essential to ensure uniformity in the analysis.

RESULTS AND DISCUSSIONS

Out of nine banks under study, five are sustainability reports, two integrated reports, a combination of sustainability and integrity reports, and one specific Task Force on Climate-related Financial Disclosures report. The disclosure of customer-related information is presented in Table 1.

All banks disclosed Assessment of customers, e.g., ESG risk grade, sector-specific ESG Risk Assessment. This is part of the banks Know Your Customer ("KYC") procedures when evaluating their present and future customer base. The financial services industry and its regulators are becoming more and more concerned of the requirement to integrate ESG risks into their business strategies and managerial approaches. In the financial services industry, by way of physical impacts of environmental events (e.g. customers in affected sectors being unable to repay loans) and transition risks from shifting to a lower carbon economy (e.g. litigation risk relating to financing activities) (PWC, n.d.).

More than 70% of the banks disclosed: 1) leadership support; 2) material supports – customers; 3) Employee Training – provide services to customers/training in sustainable financing; 4) financial inclusion; and 5) green financing.

The purpose of employee training is to improve the customer management. This will result in a trust-based relationship with the business in the long run and a high tendency of repurchasing the products (Arslan, 2020; Ngo & Nguyen, 2016). Examples of disclosures are as follows:

> *Employee Training: Trained our front-line staff on specially crafted emotional intelligence (EQ) training to provide emphatic services to customers who may be facing pandemic-related stress* (Am Bank)

> *We have a comprehensive training and engagement agenda for our employees to develop their understanding of sustainability in the context of our business, in line with our purpose of advancing customers and society. We actively raise awareness and improve technical capacity on sustainability and sustainable finance to enable our teams to support customers in their transition towards a greener and more equitable economy. (CIMB)*

Table 1: Disclosure of customer-related Information

		AM BANK	BIMB	CIMB	HLB	Maybank	MBSB	RHB	PUBLIC BANK	HSBC	
a.	**Organizational**										
	1. Leadership support	√	√	√	√	√	√	√			7/9=78 %
	2. Rewards/recognition	√	√								2/9=22 %
	3. Partnership				√	√		√		√	4/9=44 %
	4. Sustainability integration				√		√	√	√	√	5/9=56 %
b.	**Risk assessment**										
	1. Assessment of customers -eg ESG risk grade, sector-specific ESG Risk Assessment	√	√	√	√	√	√	√	√	√	9/9=100 %
	2. Financial emission calculation			√		√	√	√			4/9=44 %
	3. Type of risks eg – climate risks		√	√			√			√	4/9=44 %
	4. Risk management	√		√	√		√	√			5/9=56 %
c.	**Performance-customer excellence**										
	1.Net Promoter Score	√		√		√	√				4/9=44 %
	2. Customer Satisfaction	√	√		√	√	√		√		6/9=67 %
	3. Total compliments received	√				√					2/9=22 %
d.	**Sustainability matters**										
	1. Sustainability Framework	√					√		√	√	4/9=44 %

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	2. Sustainability objectives/mission	√	√	√	√		√			√	6/9=67 %
	3. Material matters - Customers	√	√	√		√	√	√	√		7/9=78 %
	4. Stakeholders' engagement with customers	√	√		√			√			4/9=44 %
	5. Core values/commitment		√		√		√				3/9=33 %
	6. Stakeholders – customer identification	√	√	√		√					4/9=44 %
e.	**Sustainability Governance**										
	1. Code of conduct – treat customers fairly	√	√	√					√		4/9=44 %
	2. Customer Service Charter	√									1/9=11 %
	3. Product Approval and management policy	√				√					2/9=22 %
f.	**Responsible marketing**										
	1. Ethical brand governance (socially responsible)	√				√		√			3/9=33 %
	2. Due diligence customer relationship review	√	√	√							3/9=33 %
	3. Exit relationship guideline	√									1/9=11 %
	4. Responsible procurement	√									1/9=11 %
	5. Customer Experience (CX)	√		√		√	√		√		5/9=56 %

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g.	**Employee well-being and development**										
	1. Employee Training – provide services to customers/training in sustainable financing	√	√	√	√	√	√	√			7/9=78 %
h.	**Sustainable/responsible financing**										
	1. Exclusion list	√					√		√		3/9=33 %
	2. Financial inclusion	√	√	√	√	√	√	√	√		8/9=89 %
	3. Green financing		√	√	√	√	√		√	√	7/9=78 %
	4. Sustainability-linked financing			√				√			2/9=22 %
i.	**GRI standard**										
	1. Customer satisfaction	√							√		2/9=22 %
	2. Customer experience		√	√							2/9=22 %
	3. Customer Privacy				√	√	√		√		4/9=44 %
	4. Customer Relationship Management							√			1/9=11 %
		=24/34 =71%	=16/34 =47%	=17/34 =50%	=13/34 =38%	=16/34 =47%	=18/34 =53%	=13/34 =38%	=12/34 =35%	=7/34 =21%	

An example of disclosure related to training of sustainable financing:

This year, we have launched a new Sustainable Financing training programme for our front-line staff, specifically Relationship Managers and Credit Officers who interact directly with our customers and investors. The programme is designed to equip them with the necessary skills and knowledge in Sustainable Finance, to guide our corporate customers and investors in incorporating Environmental, Social and Governance (ESG) factors into their decision-making processes (BIMB)

The Financial Inclusion Framework 2023-2026 Strategy Paper produced by Bank Negara Malaysia ensure making financial services accessible and affordable to all segments of society, particularly the underserved and unbanked populations. Examples of disclosures are as follows:

Provide the platform to upskill and enhance the business network of our SME customers. We also provided businesses with access to alternative sources of funding such as government grants, and also the road to capital markets where customers are provided consultation and advice towards obtaining funding from the capital markets. (Am Bank)

Our financial literacy initiatives ring true to our brand promise and fundamental value of "Built Around You" and "Here for the Long Term" where we empower our customers by providing the necessary financial solutions at times of need (COVID-19 support and PRAP) and provide information and guidance to the young generation to better manage money and financial choices. (CIMB)

We are constantly expanding and refining our list of products and services to ensure that all segments of our customer base are adequately served and protected. In line with this, we have carried out a number of initiatives to provide communities with affordable products and services to elevate their financial well-being. (Maybank)

We established a Rescheduling Programme to ease customers' financial burdens by reducing their monthly payments through rescheduling their financing facility. (MBSB)

Sustainability culture is embraced throughout the organization. Executives in banks must comprehend how sustainable and productive initiatives can be integrated into their company culture, risk management, and development plan, especially in light of sustainable development, which is the new obstacle facing contemporary companies, and disclose a narrative statement of their management on these risks (WWF, 2017). This can be seen from the top management's statement in the sustainability reports or integrated reports.

> *Bank Islam Malaysia Berhad (BIMB) has been at the forefront of advancing prosperity for all our customers for 40 years. At the heart of our transformation programme is a customer-centric approach, coupled with our broad range of offerings and comprehensive digitalisation efforts. We believe this approach will help us to create new growth opportunities, while also enabling us to contribute to sustainability, green financing, Shariah-ESG and ESG compliant investing (BIMB Chainman Statement)*
>
> ***OUR SUSTAINABILITY FOCUS*** □ *financing for low-income customers, micro insurance, Maybank Foundation's programmes as well as zakat initiatives that provide financial aid and training to communities, helping them to set up their own self-sustaining small businesses.*
>
> *In our efforts to facilitate a just transition to a low-carbon economy, Maybank will not only continue to engage our customers on sustainability but also actively work with regulators and industry players to drive a responsible transition. Guided by our newly introduced M25+ strategy and our mission of Humanising Financial Services, we remain steadfast in our journey to searching for new ways to uplift our customers and communities (Maybank Chairman Statement)*
>
> *We continue to contribute in promoting and building knowledge on good sustainability practices by engaging with investors, customers, business partners and key stakeholders, participating in industry forums and conferences as well as leading events and partnerships. Our management approach to climate change focuses on two areas* □ *Engaging with selected customer segments to better understand their*

decarbonisation strategy and providing financial support for their transition plan towards low carbon and sustainable practices. This is to support our customers in their decarbonisation strategy and to transform their operations towards sustainable practices, guided by the Group ESG Eligible Business Activities Guidelines ("ESG EBAG") which facilitate the classification of green, social, and sustainable financing (RHB)

A green loan is a type of financing that allows consumers to allocate the funds only to initiatives that significantly advance an environmental goal whereas green bonds involve the proceeds being allocated to initiatives addressing the environment or climate change, including renewable energy projects (The World Bank, 2021; Chase, 2021). In this manner, banks or financial institutions need to carefully assess the selection of customers in the green financing. Examples of disclosures are as follows:

Additionally, we recognise the urgent need to protect our business, customers, and society from social and environmental issues. To this end, we have embedded ESG risk in our risk management framework, marking a significant milestone in our efforts. This year, we have fully implemented the BNM Climate Change and Principles-based Taxonomy (CCPT), assessed the ESG risk and performance of our business financing customers and piloted the inclusion of ESG action plans and criteria in selected financing applications that involve high-risk sectors (BIMB)

Aligned with the direction and guidance from regulators, the Bank enhanced its ESG Assessment Framework for corporate customers, as well as when onboarding business partners. the first double issuance of ASEAN Sustainability SRI Sukuk and ASEAN Sustainability Bonds in the country. (HLBB)

In line with our Socially Responsible Business theme, our BCB ESG Policy and Assessment Framework embraces an inclusionary approach that focuses on providing support to our SME, commercial and corporate customers in the HLB identified Environmental & Social (E&S) high risk sectors to adopt more sustainable business practices and pivot towards a lower carbon footprint, thus supporting the local transition to a more sustainable economy. (HLBB)

In recent times, green finance has gained importance as a result of the global agreement on environmental preservation, climate change action, and the accomplishment of the Sustainable Development Goals (SDGs) by 2030 (Amidjaya & Widagdo, 2019; Dörry & Schulz, 2018). The notion of "green finance" has the potential to significantly contribute to the accomplishment of the SDGs, particularly targets 11, 12, and 13 (Rahman et al., 2022). Examples of disclosures are as follows:

In 2022, the rapid progress in sustainable and climate financing presented the Commercial Banking team with a challenge in capacity and capability. We are bracing ourselves to ensure we are well-positioned at the forefront of Environmental, Social and Governance (ESG) finance (BIMB)

We introduced the SME Smart Eco Financing Program (ECO). This programme caters to the needs of our SME customers who were looking to move towards sustainability. ECO provided financial support to our SME customers who were committed to adopting sustainable and environmentally-friendly practices in their businesses (BIMB)

The Public Bank Group offers sustainable financing products to support customers' transition to a low carbon economy and these include:
• Green financing facilities
• Low carbon transition facility for small and medium enterprises ("SME")
• EEV financing
• Solar panel financing
• Financing for sustainable and green-certified properties

At the international level, GRI provides a useful guideline for sustainability reporting. One of the important aspects in sustainability reporting is materiality assessment. Banks or financial institutions highlighted materiality aspects on customer related information. Examples of disclosures are as follows:

Our customers are the driving force behind BIMB's success. Through every transaction, we strive to provide the best possible products, services, and banking solutions to meet and exceed their expectations. (BIMB)

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Efforts to transform into a customer-centric organisation by embedding a customer-centred approach into all lines of business and undertaking initiatives to improve the end-to-end customer experience and drive customer satisfaction. (Maybank)

In summary, the disclosure of information by banks indicates the commitment to promote sustainability practices as outlined in the ASEAN taxonomies and UN SDG 2030 agenda. Moreover, this commitment supports the speedy and just transition to net zero for the ASEAN countries. Thus, more promotion through disclosure practices would certainly benefit stakeholders who demand more transparency on how the banks invest in sustainability initiatives.

CONCLUSION

This paper aims to analyse customer-related information on banks' sustainability and integrated reports from nine banks. These banks provide information related to customer aspects in their sustainability or integrated reports. Disclosures of customer-related information cover the following categories:

This paper is not without any limitations. Firstly, the quality and availability of data in sustainability reports can vary significantly among different banks. Some banks may provide comprehensive and detailed information about their customer-related information, while others might have limited or less transparent reporting. Incomplete or inconsistent data across reports can affect the analysis and conclusions drawn. Secondly, content analysis involves the interpretation and categorisation of textual data. Researchers' subjectivity in interpreting and categorising information from reports could introduce bias or inconsistencies in the analysis. Different interpretations of customer-related information might lead to varying conclusions. Thirdly, sustainability reports may have different reporting periods or frequencies. Analysing reports from specific time frames might not capture the most recent developments or changes in customer related information. Additionally, initiatives and strategies might evolve, rendering older reports less relevant to current practices.

CONTRIBUTION OF AUTHORS

The authors confirm the equal contribution in each part of this work. All authors reviewed and approved the final version of this work.

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CONFLICT OF INTEREST

All authors declare that they have no conflicts of interest.

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