

Empathising with  
customers:  
Sustainability as a key  
differentiator for banks

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**pwc**

بنك دبي التجاري  
Commercial Bank of Dubai





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Spotlight: Commercial Bank of Dubai

# Foreword from Commercial Bank of Dubai



**Mr Othman Bin Hendi**  
Chief Sustainability Officer  
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With the rising frequency in climate catastrophes and a growing awareness around how to address climate change, we are entering a pivotal period where societal values and customer behaviours are being redefined. Younger generations, in particular, are climate-aware and increasingly prioritising sustainability and responsible consumption, prompting businesses to align with these values. Their behaviours and preferences are shaping the trajectory of customer-facing sectors of the economy, encouraging a more conscientious and sustainable path forward. This extends beyond their retail purchases to where they bank, and how they bank.

Banks have long placed customer centricity at the heart of their product and service design. For decades, digitisation was the differentiator. Banks applied digital technologies to deliver streamlined, optimised, and personalised experiences that delighted customers, resulting in improved customer satisfaction, engagement, and retention. Today, digital experiences have become the norm and while still valued by customers, the goal posts for differentiation on customer experience have shifted.

We are backing our customers' sustainability ambitions and evolving our product suite to align with these ambitions. The future is about empathising with customers on their hopes and fears to provide a more meaningful customer connection.

We are delighted to collaborate with PwC on this important report.

# Foreword from PwC Middle East



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Customers are increasingly prioritising sustainability in their financial decisions, and banks must adapt to this evolving landscape. In an era where environmental stewardship and responsible finance are no longer optional but essential, sustainability has become a key differentiator for the retail banking sector. It offers an opportunity for banks to enhance their retail customer experience and build deeper, long-term relationships.

The UAE, with its ambitious Net Zero by 2050 agenda, is leading the way in building a robust sustainability ecosystem that fosters positive change for both consumers and financial institutions. Progressive government policies are accelerating the integration of sustainable practices, empowering banks and their customers to play a crucial role in advancing national and global sustainability goals.

This report, in collaboration with the Commercial Bank of Dubai (CBD), explores how banks across the Middle East are embedding sustainability into their operations and customer offerings, responding to the heightened demand for climate-conscious financial services. This partnership with CBD - a leading digital bank that focuses on integrating sustainability into their customer experience - aligns with our shared commitment to driving sustainable innovation in the banking sector.

As sustainability continues to shape the future of banking, the ability to innovate and create value through responsible finance will define the industry's path forward. By aligning with the needs of the planet and its people, banks can secure a lasting competitive edge while making a meaningful contribution to the fight against climate change.

# Rising climate concerns and responsible consumption in the Middle East

Societal climate anxiety is rising as climate disasters become more frequent and severe. Through these climate events there is growing awareness that we are collectively overshooting earth's safe operating zone, with the risk of losing the stable climate that sustains human life. Individuals are increasingly aware of the tangible impacts of climate change on their lives and the lives of future generations, creating growing consensus on the urgent need for action and the significant financial costs of inaction.

This heightened awareness is influencing consumer behaviour, as individuals seek to align their purchasing decisions with their environmental values. Findings from PwC Middle East's 2024 Voice of the climate-conscious consumer survey,<sup>1</sup> indicate that more than half of consumers surveyed in the region are actively changing their purchasing habits to buy more sustainable products, driven by their desire to reduce their environmental footprint.

Surveyed consumers demonstrated a deeper understanding of environmental issues and impact, with 41% indicating to be more mindful of their overall consumption and a similar percentage advocating for green policies and leaders who prioritise environmental stewardship.

In the Middle East, concerns about climate change are also resulting in an especially pronounced shift towards more sustainable consumption. Data from PwC Middle East's survey has revealed that regional consumers see climate change as a key threat to future stability. In the last 12 months, 83% of surveyed consumers have noticed climate related disruption to their day-to-day lives, with a third noticing it to a great extent. Additionally, 85% of surveyed consumers were worried about climate change with over a quarter (26%) feeling anxious on a daily basis.

The climate anxiety experienced by consumers in the Middle East is likely a key driver behind higher reported sustainable consumption patterns in the region when compared to others. Regional consumers are increasingly drawn to brands and products that demonstrate a lower carbon footprint and place a high value on brands' commitments to climate goals. 68% of regional customers view this as a crucial factor – well above the global average of 52%. These findings suggest that sustainable consumption has shifted from niche to mainstream.

<sup>1</sup>: <https://www.pwc.com/m1/en/publications/voice-of-the-consumer-2024-regional-findings/voice-of-the-climate-conscious-consumer.html>

At the furthest end of the “eco-conscious” spectrum, consumers are socially responsible and acutely aware of their environmental impact. They prioritise long-term planetary health over short-term personal convenience and financial gains. This commitment influences not only their consumption decisions, but also how they bank and invest.

### Sustainable behaviour shifts are more pronounced in the Middle East than global average:<sup>2</sup>

Behaviour shift	ME %	Global average %
Prefer sustainable products	<b>53%</b>	<b>46%</b>
Plan to adjust travel to lower carbon footprints	31%	31%
Are considering switching to an electric vehicle	29%	24%



<sup>2</sup>. PwC Voice of the climate-conscious consumer  
<https://www.pwc.com/m1/en/publications/voice-of-the-consumer-2024-regional-findings/voice-of-the-climate-conscious-consumer.html>

## Sustainability is set to disrupt the personal banking customer experience

The rise of the eco-conscious customer presents an opportunity for the banking sector at a time when personal banking services are starting to feel undifferentiated. Over the past decade, fintech innovation and digital adoption transformed financial services, with early adopters gaining market share and customer loyalty. Today, digital, frictionless and real-time banking is the baseline expectation for customers, making it harder for banks to stand out, especially as customers can easily compare products and services and switch banks.

Moreover, the personal connection that was core to banking customer relationships pre-digital boom has been replaced with a more efficient, yet more transactional relationship, making it harder for banks to foster long-term loyalty.

As sustainability becomes a critical consideration for customers, banks have an opportunity to re-establish deeper, more empathetic connections with customers by addressing their hopes, fears and values—particularly regarding sustainability. The same digital technologies that optimised experiences during the digital banking revolution can now be leveraged to deliver a new generation of values-aligned banking solutions. By using data-driven insights, banks can develop innovative products and services that meet specific needs of “eco-conscious” or “climate anxious” customers. Additionally, by offering products and services that are “customisable by design”, banks can remain relevant and appeal to the diverse sustainability values of their customer base.

Personalisation can re-establish a two-way conversation between banks and their customers, where banks lean more heavily than ever into their role as trusted advisor. By understanding customers' long-term financial and sustainability goals, offering tailored plans, and transparently communicating the bank's own sustainability efforts, banks can build deeper, values-based relationships. Ultimately, values-aligned, transparent solutions offer the potential for more meaningful customer relationships than ever before. Grounding customer experiences in shared values can create meaningful connections with customers and unlock new levels of customer trust and loyalty.

While digital, optimised and customised customer journeys will continue to be important, values-aligned solutions underpinned by radical transparency are positioned to deliver the deepest customer relationship yet.

## Integrating sustainability impact into products

Banks are already offering values-aligned solutions in the shape of sustainable finance products - from green mortgages and EV loans to green savings accounts, and carbon-tracking tools. These offerings address the growing demand from climate-concerned customers and demonstrate a bank's own commitment to international climate goals.

As customer demand for sustainable, values-aligned finance matures, innovation should focus on sustainability impact to ensure new products and services resonate with customers and avoid the pitfalls of greenwashing. By offering a range of sustainability-focused products, banks can meet the evolving needs of customers at various stages of their sustainability journey. This strategy not only ensures an inclusive approach, but also encourages the adoption of more sustainable practices by customers over time.

Banks can further accelerate their sustainability agendas through strategic partnerships with government, universities, non-profits, sustainability innovators, and other industry experts. These collaborations allow banks to rapidly innovate, introduce sustainable products, and deliver sustainability impact and meaningful customer experiences. By forming these alliances, banks can expand their offerings, engage customers with new solutions, and strengthen their market position.





## Real-world product spotlights:

Banks globally are introducing new products to meet customer demand for sustainable finance solutions.



### Green housing solutions

To accelerate the green building market in Germany and to help meet the country's goal of cutting building sector emissions by 67 million tons of CO<sub>2</sub> by 2030<sup>3</sup>, the European Investment Bank Group ("EIB") and Deutsche Bank have partnered to launch a mortgage programme for climate-friendly housing. Through this programme, Deutsche Bank will offer discounted mortgages to individuals looking to build climate-friendly houses or to make their homes more energy efficient. The energy efficiency criteria are stringent – modernisation projects must reduce the property's primary energy demand by at least 30%. To enable the favourable loan conditions, the EIB is guaranteeing a 150-million euro mezzanine tranche in a consumer loan securitisation operation with Deutsche Bank<sup>4</sup>.



### Green mobility solutions

BNP Paribas has made sustainable mobility a strategic focus by simplifying and accelerating its customer transition to EVs. Through its subsidiary Arval, a key player in long-term vehicle leasing and specialist in mobility solutions, the bank has launched several initiatives to accelerate electric vehicle adoption for both companies and individuals across Europe. Arval Charging Services was recently launched to provide a simplified, all-in-one charging solution for individuals leasing electric vehicles through the company. This solution includes charging station installation, maintenance, and removal and recycling if needed, building on Arval's existing Public Charging Card for on the go-charging and consulting services to help customers select the right equipment for their needs<sup>5</sup>.

<sup>3</sup>. Deutsche Bank Green Financing Instruments Report 2023

<sup>4</sup>. Germany: EIB Group and Deutsche Bank launch mortgage programme for climate-friendly housing

<sup>5</sup>. BNP Paribas Mobility launches new EV charging offer to boost electric vehicle adoption | COM (arval.com)



## Carbon tracking tools

HSBC UK partnered with ecolytiq, a climate engagement fintech, for the launch of its Carbon Insights Tool for retail banking customers. The opt-in feature provides customers with access to their carbon emissions profile by expense category and suggestions on how to manage their emissions' footprint. This feature raises awareness and encourages customers to take positive steps towards reducing their environmental impact.

Similarly, UK-based NatWest has partnered with Cogo to launch carbon tracking features, including personalised 'climate actions' that help customers reduce their carbon footprint. The platform provides feedback on purchases, offering cues to encourage more sustainable choices. For example, after a fast fashion purchase, customers might be shown how much carbon they could save by shopping second-hand. These nudges aim to reinforce sustainable behaviour, enhance carbon literacy, and have already reached over 585,000 customers.<sup>6</sup>



## Impact investing solutions

Triodos is a European green bank, with a unique ownership structure that enables the bank to safeguard its principles, values and objectives. The bank only offers values-aligned banking products and services and is a leader in impact investing with over 30 years of experience in the field. All investments in their impact funds are selected by impact investing experts, promoting environmental and social returns in addition to financial ones. Customers can choose between different impact themes to achieve the alignment with their personal values and financial goal. Triodos energy and climate strategy has provided clean energy to 366,000 households and reached 18.2 million borrowers through its financial inclusion fund to date<sup>7</sup>.

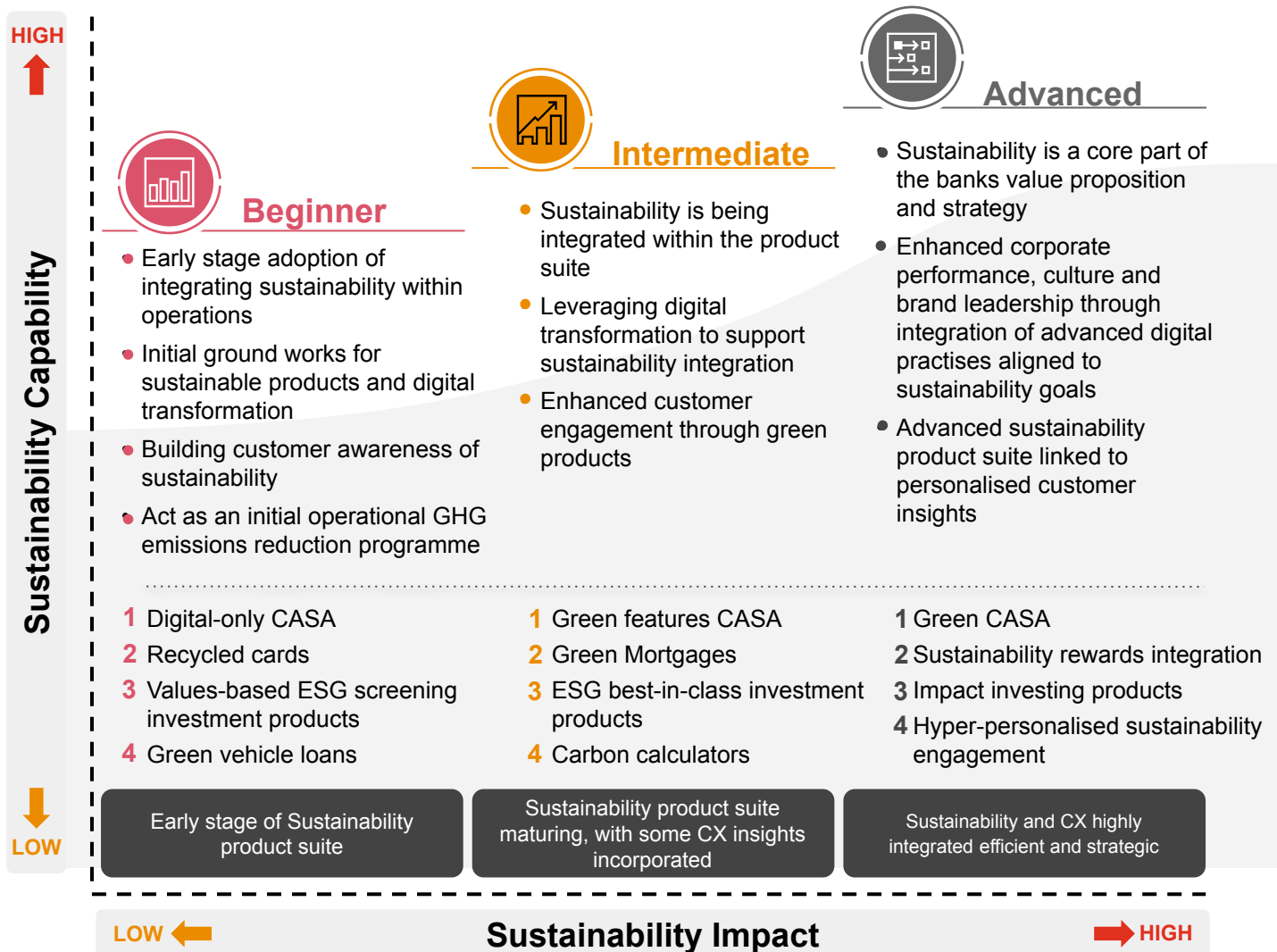
<sup>6</sup>. Natwest and Cogo: Feedback and cues feature <https://www.cogo.co/post/new-natwest-feedback-and-cues-feature>

<sup>7</sup>. Triodos Impact Report 2023

# Sustainability maturity curve for banking

The maturity curve illustrates how banks and fintechs, including those in the Middle East, are embedding sustainability into financial products, with differing degrees of sustainability impact depending on the sustainability maturity of internal capabilities and customers.

For illustrative purposes, we have grouped these propositions into “Beginner”, “Intermediate” and “Advanced” propositions. However, the complexity and environmental impact of some of these products could span numerous proposition groups. Customers on the left-hand side of the graph typically prioritise financial benefits over sustainability, while customers on the right-hand side are often willing to forgo some degree of financial benefits to achieve a high degree of sustainability impact.



## Beginner propositions

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### Overview:

- These offer early-stage adoption of integrating sustainability within operations.
- They provide initial ground works for sustainable products and digital transformation.
- They can build customer awareness of sustainability.
- They can act as an initial operational GHG emissions reductions programme

### Sample product offerings:

- **Digital-only CASA (Current Account; Savings Account):** An account that can be fully managed online, with no physical branch presence.
- **Recycled cards:** Payment cards made from recycled materials, reducing the environmental impact associated with traditional card production, reducing plastic waste consumption and encouraging circular economy practises.
- **Values-based ESG screening investment products:** Involves excluding companies that do not align with individual ESG values from investment portfolios.
- **Green vehicle loans:** Loans that offer favourable terms for green mobility solutions, which may include wrap-around support services for on-the-go and at-home charging solutions.

## Intermediate propositions

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### Overview:

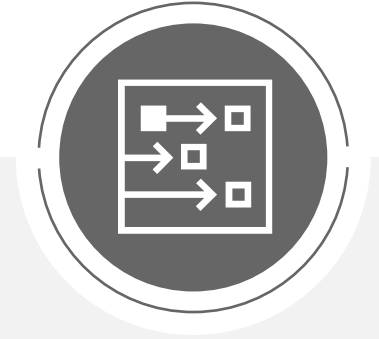
- Sustainability is being integrated within their product suite.
- They are leveraging digital transformation to support sustainable initiatives.
- They offer enhanced customer engagement through green products.

### Sample product offerings:

- **Green features CASA:** An account where benefits and/or rewards contribute to environmental and social objectives.
- **Green mortgages:** Home loans that offer favourable terms for energy-efficient homes or improvements, such as solar panels or energy-efficient appliances.
- **ESG best-in-class investment products:** Develop investment portfolios that focus on companies with strong Environmental, Social, and Governance (ESG) ratings across all sectors, providing an incentive for companies to improve their ESG performance.
- **Carbon calculators:** These tools provide detailed dashboards establishing a link between the spending and carbon footprints and suggesting actionable steps to reduce environmental impact.

## Advanced propositions

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### Overview:

- Sustainability is a core part of the bank's value proposition and strategy.
- Enhanced corporate performance, culture and brand leadership through integration of advanced digital practises aligning to sustainability goals.
- Advanced sustainability product suite linked to personalised customer insights.

### Sample product offerings:

- **Green CASA:** An account where 100% of deposited funds are being used towards environmentally-friendly projects or investments.
- **Sustainability rewards integration:** Integrating sustainability into rewards programs typically offered through credit cards, where customers earn additional rewards for engaging in eco-friendly behaviours and/or redeem points for environmentally-friendly products, services, or even community benefit projects.
- **Impact investing products:** Offering investment products that focus on generating positive social and environmental impacts alongside financial returns.
- **Hyper-personalised sustainability engagement:** Through AI-driven insights, banks and fintechs are engaging with retail customers on sustainability topics that matter to them, such as sending targeted messages about eco-friendly practices, carbon offset options, or green savings opportunities.

## Curating a new customer equation

By differentiating through sustainability, banks can re-establish meaningful connections with their customers, create new revenue streams, and maintain their position as trusted advisors. In this context and considering the effort required to steer our economy towards Net Zero, banks have both an opportunity and a responsibility to **CURATE** a new customer equation:

- C** **Create** long-term value - through new revenue streams and enhanced customer loyalty.
- U** **Unlock** new opportunities - in a rapidly changing world.
- R** **Reduce** climate risks - inherent in their business activities.
- A** **Advance** environmental goals - especially through reductions in operational and financed emissions and through innovative customer-centric product offerings.
- T** **Transcend** customer expectations – by setting a path for sustainable living that customers and other stakeholders will feel compelled to follow.
- E** **Enhance** brand reputation - and corporate social responsibility credentials by aligning with evolving market expectations.

With this new customer equation in hand, banks can help their customers live by their values and navigate the opportunities and challenges ahead



## Spotlight: Commercial Bank of Dubai

### Aligning banking choices with sustainability values

Commercial Bank of Dubai (CBD) is one of the leading banks in the UAE, servicing both corporate and personal banking customers.

According to CBD's Chief Customer & Sustainability Officer, Mr Othman Bin Hendi, "In support of the UAE's Net Zero 2050 Strategy, CBD has been on a customer-centric sustainability transformation journey since 2022, and the pace of change is increasing year on year."

In 2023, CBD launched a US\$500 million inaugural green bond. In the same year, it committed to carbon neutrality for its own operations by 2030. When pressed on this commitment Bin Hendi said, "We simply cannot back our customers' sustainability ambitions without setting the right example on our side and taking responsibility for our own externalities."

As an established institution in the UAE, over the last five decades, CBD has continually adapted to changing stakeholder requirements to maintain its social licence to operate. In recent years, sustainable finance is not only available to CBD's corporate customers. It is also integral to CBD's personal banking offering, beyond extending discounted loans to its customers for electric vehicles and solar panels.

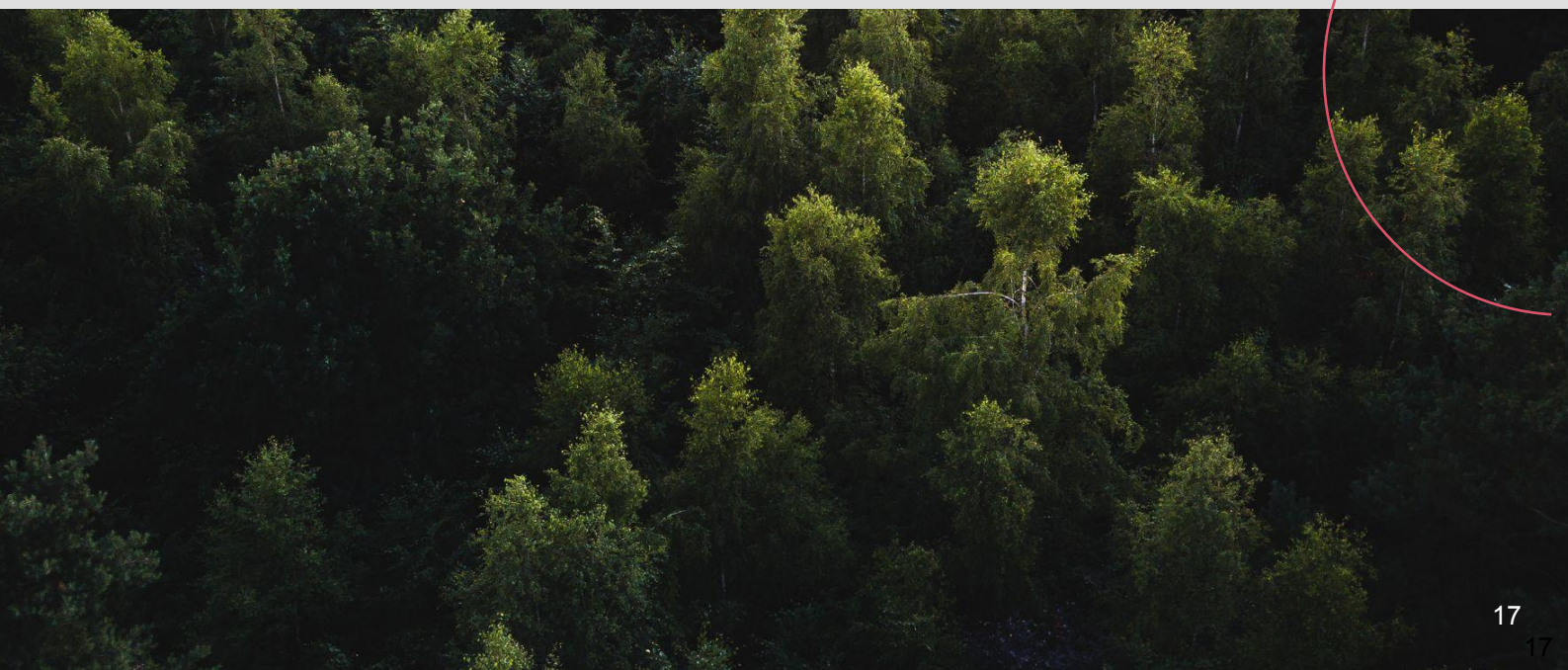




CBD has also introduced fully recycled debit and credit cards and has recently launched a “Green Growth Account”. Mr Khaled Al Hammadi, CBD’s General Manager of the Personal Banking Group describes this recently launched product as being “targeted to our customers who wish to align their banking choices with their sustainability values”. To launch this account, CBD has partnered with Goumbook, a leading social enterprise dedicated to accelerating sustainability and climate action in the UAE, to plant mangrove trees for CBD’s customers who maintain a balance in the Green Growth Account.

Al Hammadi said, “Our Green Growth Account customers benefit not only from a competitive interest rate, but also by knowing that they are building a better future. Savings growth coupled with mangrove growth and regeneration is a win-win for our customers and the environment.” But this is far from the end of the journey for CBD. It has introduced carbon calculators, which will estimate customers’ carbon footprints based on their spend patterns, and ESG/impact investing, as part of their future customer offerings.

The real challenge for CBD, as well as for other banks, lies in staying ahead of evolving customer expectations — particularly from Millennials and Gen Z — in an era where planetary boundaries are under increasing strain. As competition from fintechs and big tech intensifies, with their advanced mastery of customer experience, banks must continually innovate to meet rising sustainability demands while maintaining relevance in the shifting financial landscape.





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## About PwC

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Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 12,000 people. ([www.pwc.com/me](http://www.pwc.com/me)).

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