Sustainable Finance Instruments and Support
- One Size Does Not Fit All -

Understanding Companies' Individual Sustainable Finance Needs
and Providing Tailored Support

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Abstract

The financial sector is taking on a crucial role in advancing the transition towards a sustainable economy and society. In particular, banks advise companies and investors on sustainable finance and sustainable finance instruments. This study conducted an online survey with 700 corporate customers of DZ BANK AG to assess how companies differ in their sustainable finance interests and needs, using a mixed method approach, and to subsequently determine how banks can improve and tailor their sustainable finance support accordingly. The study analyzes market relevant factors and company characteristics that can drive and simplify sustainable finance instrument use. Moreover, it determines barriers and motivational factors regarding the implementation, as well as companies' evaluation of their banks' support. The survey results show that sustainable finance interests and needs differ particularly for company sizes and that companies view their banks as potential sparring partners who help them acquire the necessary financial resources for their sustainability transition. Based on these findings, the paper formulates three recommendations on how to improve the effectiveness of banks' sustainable finance support, including how banks can provide a tailored sustainable finance support to their customers.

JEL Classification: C83, G21, G23, G28, G32, G38, H23, Q01, Q58

Keywords: Sustainable Finance, Sustainable Finance Instruments, Sustainable Finance Support, Bank Advisory, Corporate Customers

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°I would like to thank Rainer Klump, Tim Buchholz and Marcus Pratsch for intriguing discussions, valuable input and support. Furthermore, I thank DZ BANK Stiftung for providing the funds to implement the research project. The usual disclaimer applies.