

Abstract

In my PhD thesis I investigate the relationship between corporates' financial and environmental performances. The concept of quantitative environmental performance measures was introduced to enable to compare and analyse environmental impacts of different socio-economic units e.g. companies, countries, regions. In my dissertation, I use environmental performance measures to examine their effect on the financial performance of different companies.

In the first chapter, I apply a meta-analysis to examine the results of the previous studies which investigate the impact of firms' environmental performance on their financial performance. The outcomes propose that it is important to account for the omitted variable bias such as unobserved firm heterogeneity. The results suggest that it takes time for the environmental regulation to materialize into the financial performance, too.

In the subsequent two chapters I study Czech firms over 2004-2008. First I study the intertemporal effects of corporates' environmental performance on financial performance controlling for the standard set of factors e.g. a company size, financials or an industrial sector. In this chapter I suggest an improved measure of firms' environmental performance, which is comparable for most European countries. The results indicate that it takes more than one accounting period before firms can benefit from innovations and decreasing pollution.

In the last chapter I study why Czech firms voluntarily implement environmental management systems. I investigate both EMAS and ISO 14001 environmental management systems. The results indicate that environmental management systems are typically implemented by large firms and by those firms that initially pollute the environment more. On the other hand, I find no impact of the firm's financial performance and labor costs on the probability of environmental management systems implementation.

Keywords: environmental performance, corporates' financial performance, environmental management systems, Czech Republic