Report on **Bachelor Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	**Kryštof Doubek**
Advisor:	**prof. PhDr. Petr Teplý, Ph.D.**
Title of the thesis:	**Quantitative Analysis of ESG Rating Impact on Company Performance in the EU and the USA**

Short summary

This bachelor thesis delivers a rigorous and insightful examination of the relationship between ESG ratings and corporate financial performance across the EU and US markets. Using an extensive dataset from Refinitiv Eikon covering 2014–2023, the author applies multiple econometric techniques—most notably fixed effects panel regressions and robustness checks—to quantify how ESG ratings and their individual pillars influence ROA and ROE. The empirical findings reveal a generally positive association between higher ESG ratings and firm performance, with marked differences between the EU and US markets and between individual ESG pillars. The study provides valuable conclusions for investors, policymakers, and corporate managers, underlining the strategic importance of ESG integration in corporate governance and investment decision-making.

Contribution

The thesis makes a strong contribution to the growing literature on sustainable finance by offering a cross-regional comparative perspective on ESG-performance relationships—an angle still underexplored in empirical research. By disaggregating ESG ratings into their E, S, and G components, the author provides granular insights into which aspects of sustainability are most closely linked to financial returns in different markets. This level of detail adds both theoretical value for academics and practical guidance for practitioners seeking to prioritise ESG initiatives. The thesis also reflects excellent awareness of current debates about ESG measurement, performance causality, and rating discrepancies.

Methods

The methodological approach is sound, transparent, and well-executed. The use of fixed effects panel regression is appropriate for the research design, and the author demonstrates competence in addressing econometric concerns such as heteroskedasticity, serial correlation, and multicollinearity. The decision to include robustness checks—such as alternative model specifications and lagged variables—adds credibility to the results. The cross-market comparative approach is particularly valuable, allowing for nuanced conclusions about structural and institutional differences between the EU and US.

Literature Review

The literature review is comprehensive, well-structured, and reflects a deep understanding of both the theoretical foundations and empirical developments in the field of ESG–performance research. The author begins by clearly situating the thesis within the broader sustainable finance debate, noting the increasing role of ESG considerations in investment decision-making and corporate strategy. Foundational studies such as Friede et al. (2015) are effectively used to introduce the “business case for ESG,” summarising meta-analytic evidence of the generally positive link between sustainability practices and financial outcomes.

The review also engages critically with more recent, sometimes contradictory findings from leading journals (Journal of Financial Economics, Review of Finance, Journal of Banking & Finance), which document cases where the ESG–performance link is weak, insignificant, or even negative (see Table 6.10). This balanced approach strengthens the credibility of the thesis by acknowledging that ESG impacts are context-dependent and subject to methodological nuances.

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Manuscript Form
The thesis is clearly structured, written in precise academic English, and supported by well-formatted figures and tables. Transitions between sections are smooth, and the argument develops logically from theory to empirical evidence and implications. The appendix and reference sections are complete and appropriately formatted. Minor stylistic refinements could further improve readability, but overall presentation is of a high standard.

Summary and suggested questions for the defense
This is an excellent bachelor thesis that combines a robust quantitative approach with relevant and timely insights into sustainable finance. The student demonstrates strong econometric skills, an ability to work with large and complex datasets, and a capacity to generate findings with both academic and practical value. I recommend the thesis for defense and propose a grade of A.

The results of the Turnitin analysis indicate 25% text similarity with other available sources. Since this similarity comes from multiple sources and does not affect the author´s results, I do not see it as a problem.

Suggested questions for the defense:

1) How might your results change if you used alternative ESG data providers with different scoring methodologies?

2) Which ESG pillar do you believe will gain the most importance in determining firm performance in the next decade in the EU and the US, and why?

SUMMARY OF POINTS AWARDED *(for details, see below):*

CATEGORY		**POINTS**
Contribution	*(max. 30 points)*	28
Methods	*(max. 30 points)*	27
Literature	*(max. 20 points)*	19
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**92**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Prof. PhDr. Petr Teplý, Ph.D.

Digitálně podepsáno (11. 8. 2025)
Petr Teplý

DATE OF EVALUATION: August 11, 2025 ***Referee Signature***

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	*Average*	*Weak*
30	*15*	*0*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	*Average*	*Weak*
30	*15*	*0*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	*Average*	*Weak*
20	*10*	*0*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	*Average*	*Weak*
20	*10*	*0*

Overall grading:

TOTAL	**GRADE**
91 – 100	**A**
81 - 90	**B**
71 - 80	**C**
61 – 70	**D**
51 – 60	**E**
0 – 50	**F**