How to Cite:
Al-Qaruty, T. M., Alhorani, A. M., Dabbaghia, M. N., & Alheet, A. F. (2022). The impact of ESG strategies integration on the operational and reputational risks: Literature review for the listed insurance companies at Amman Stock Exchange. *International Journal of Health Sciences*, *6*(S9), 1803–1824. https://doi.org/10.53730/ijhs.v6nS9.12811

The impact of ESG strategies integration on the operational and reputational risks: Literature review for the listed insurance companies at Amman Stock Exchange

Tamara Mahmoud Al-Qaruty
Email: t.alqariouty@ammanu.edu.jo

Alaa M. Alhorani
Email: ahorani@ammanu.edu.jo

Mohammad Nadim Dabbaghia
Email: mdibageah@ammanu.edu.jo

Ahmad Fathi Alheet
Email: a.alheet@ammanu.edu.jo

***Abstract*---**This study aimed to demonstrate the impact of strategies integration of environmental, social and corporate governance strategies (ESG) on operational and reputational risks: a literature review for insurance companies listed on the Amman Stock Exchange. where the study population consisted of 22 Jordanian insurance companies, while the sample consisted of 8 companies, and one was excluded due to the lack of data, and based on the descriptive analytical approach, the study reviewed many previous studies related to its subject, and using the method of content analysis for annual reports and disclosures issued by Major insurance companies during the period 2020-2021, where a survey list was designed to measure the extent of the research companies' commitment to environmental, social and corporate governance strategies .The study concluded with many results, perhaps the most prominent of which is the presence of disclosure about social responsibility activities in the annual reports, and that all companies focused in their activities on providing donations and support to the local community and supporting education and health issues during the Covid pandemic period, while the results showed that there is sufficient disclosure about practices and environmental activities and that companies seek to provide clean energy sources and improve the internal work environment, in addition to the commitment of the researched companies in the rules

International Journal of Health Sciences ISSN 2550-6978 E-ISSN 2550-696X © 2022.
Manuscript submitted: 9 May 2022, Manuscript revised: 18 July 2022, Accepted for publication: 27 August 2022

of governance and the presence of effective special departments concerned with risk management. The study recommended the need for companies to compulsorily disclose environmental, social and institutional governance strategies, support their employees to achieve their goals, and call for increased training and increased social responsibility activities and disclosure.

***Keywords*---**ESG, environmental governance, social governance, corporate governance, operational risk, reputation risk, Jordanian insurance companies

Introduction

The economic crises of the past two decades and the financial failures and their negative effects caused a strong shock to the international markets. This resulted in economic problems that require an intervention and a quick response of authorities because of their social and environmental impacts alike (Babin & Nicholson, 2011). These crises contributed to an increase in the ethical concerns of organizations, in addition to increasing the reputational risks, accountability. They also affected the ability to provide the necessary liquidity and the recruitment of new segments of strategic investors to these organizations (Galbreath, 2013). Therefore, the legislative entities called for supporting the disclosure reports and increasing the reliability of information in organizations as one of their continuing priorities (Alqallaf and Alareeni, 2018).

Disclosure plays an important part of the organizations' march and is considered a major link in the economy, because full disclosure provides important information for all stakeholders and urges them to take their appropriate decisions and avoid any imminent risks. It also plays a pivotal role in attracting investments and capital and maintaining confidence in stock exchanges and financial markets. The unclear disclosure, leads to manipulation and to an increase in unethical behaviors, which may harm the integrity of the markets; incur high costs for organizations and their stakeholders and affect negatively the national economy (OECD, 2004).

From this point of view, the role of disclosure comes as part of the strategies of organizations for expansion and strategic growth in light of the rapid response of governmental and non-governmental legislative authorities and stakeholders, as these bodies are setting environmental and social regulations to ensure that all stakeholders are provided with a clear picture of their practices towards the environmental, social, governance and institutional aspects (Sahut & Pasquini, 2015).

Problem of the study

The business environment today is witnessing many challenges that may contribute to the negative impact on the business of companies and sectors in general. Also, poor management of environmental, social and institutional governance strategies and practices by companies may lead to the possibility of their participation in controversial events. This may harm the credibility, reputation and operational processes of companies in the market, which may cause eventually tangible effects in their strategic growth. Thus, it has become imperative for companies in the contemporary business environment to include information on how to determine their business and its repercussions on their position in society and on their sustainable growth promotion.

Methodology of the study

With the aim of achieving the objectives of the current study and answering its questions, the study adopted the descriptive analytical method for the purpose of describing the phenomenon under study. This was done through a literature and theoretical review of the concepts of the study, which were represented in the environment and the governance strategies and practices on managing operational and reputational risks in view of the Jordanian insurance companies. This also was achieved by reviewing many studies, research and literature related to the topic of the study. This study relied on the content analysis method of the annual reports and the disclosures issued by the major insurance companies in Jordan, that covered the time period data from 2020 to 2021 as explained below:

1. Relying on the annual reports of the companies under study for the years 2020-2021.
2. Viewing the newsletters published on the websites of the companies under study.
3. Designing a special survey list to measure the extent to which companies are committed to disclosing the environmental, social and institutional governance strategies, the practices and the published reports related to them, in addition to verifying the existence of certain departments and sections of risk management in these companies.
4. Referring to the reports and special figures issued by the Amman Stock Exchange related to the listed insurance companies.

Population of the study

The population of the study is composed of (22) public shareholding insurance companies operating in the insurance sector in Jordan, as shown in the following table:

Table of the public shareholding insurance companies

Serial No.	The name of the company	The code letters	The capital
1	Jordan Insurance	JOIN	30.000.000
2	Solidarity First Insurance	FINS	28.000.000
3	Arab Orient Insurance	AOIC	25.438.252
4	Middle East Insurance	MEIN	22.050.000
5	Jordan International Insurance	JIJC	18.150.000
6	The Islamic Insurance	TIIC	15.000.000
7	Al Nisr Al Arabi Insurance	AAIN	10.000.000
8	Med Gulf Insurance (Jordan)	MDGF	10.000.000
9	The Holy Land Insurance	HOLI	9.868.691

10	Arab Jordanian Insurance Group	ARGR	9.500.000
11	The Arab Assurers for Insurance	ARAS	9.215.909
12	Jordan French Insurance Company	JOFR	9.100.000
13	Arabia Insurance Company Jordan -	AICJ	8.000.000
14	*Delta Insurance*	DICL	8.000.000
15	Jerusalem Insurance	JERY	8.000.000
16	United Insurance	UNIN	8.000.000
17	National Insurance	NAAI	8.000.000
18	Euro Arab Insurance Group	AMMI	8.000.000
19	Alsafwa Insurance	SFIC	6.600.000
20	Arab Union International Insurance	AIUI	6.000.000
21	Al-Manara Islamic *Insurance*	*MIIC*	5.600.000
22	Philadelphia Insurance	PHIN	4.000.000

Source: Securities Depository Center: www.sdc.com.jo

Sample of the study

The sample of the study consists of the major insurance companies whose capital is more than 10,000,000 and their number is (8), as shown in the following table:

Serial No.	The name of the company	The code letters	The capital	The year of foundation
1	Jordan Insurance	JOIN	30.000.000	1951
2	Solidarity First Insurance	FINS	28.000.000	2006
3	Arab Orient Insurance	AOIC	25.438.252	1996
4	Middle East Insurance	MEIN	22.050.000	1963
5	Jordan International Insurance	JIJC	18.150.000	1996
6	The Islamic Insurance	TIIC	15.000.000	1996
7	Al Nisr Al Arabi Insurance	AAIN	10.000.000	1989
8	Med Gulf Insurance (Jordan)	MDGF	10.000.000	2006

Source: Securities Depository Center: www.sdc.com.jo

* The companies of (Al-Nisr Al-Arabi Insurance and the Med Gulf Insurance) were excluded due to the lack of their data for the year 2021.

Sources of the data

The data sources in this study consisted of previous literature and annual reports of the major Jordanian insurance companies.

Definition of the environmental, social and governance strategies (ESG)

The (ESG) strategies can be defined as special disclosure in companies which is considered as a comprehensive event that may affect the way business is conducted and covers many aspects of the environmental and developmental processes of societies (Kengkathran, 2018). They can also be considered as those standards, guidelines, agreements and strategies that companies may follow in order to gain the confidence of their main stakeholders (Streimikiene et al., 2009; Soana, 2011). Disclosure of the practices of environmental, social and institutional governance through sustainability reports can be considered as a proactive issue that public shareholding companies can adopt within their business (Hughey and Sulkowski, 2012; Drempetic et al., 2020).

The (ESG) strategies and practices aim to show additional dimensions of the performance of companies, which are not indicated and disclosed in the published accounting data. This is because the financial data of companies lack the ability to inform management and investors of the value of reputation and quality, the commercial property rights, the internal culture of the workplace and the quality of operational processes in general, in addition to strategies, resources and other assets, which are more important today than ever in the modern global knowledge-based economy (Pagani et al., 2021; Bawazir et al., 2021). Therefore, the results of ESG strategies practices contribute significantly to the presentation of informal data in a holistic way that is concerned with the performance of the environmental, social and institutional governance. This can be used to evaluate the management capabilities of the companies in supporting the management of risks arising from their operational processes and improving their reputation in the sector in which they operate (Ahmad et al., 2021; Mohammad & Wasiuzzaman, 2021).

The importance of the data stems from its being necessary and from its contribution in supporting management in general, as the management of companies needs extensive, appropriate and timely data for its operations around the world. This data can also contribute to making appropriate adjustments to business plans so that companies are able to know the surrounding environment and improve the process of responding to it proactively (Landi et al., 2022). Furthermore, this data leads to developing more accurate and realistic estimates for management and allows it to obtain more accurate information to deal with the results to meet or to exceed the desire of customers in the markets naturally (Zumente & Bistrova, 2021). Moreover, the companies which have strong ESG performance and deep knowledge of long-term strategic issues within their business and operations enable their managers to achieve long-term objectives, as these companies take the necessary decisions to ensure the success of their business and to remain sustainable in a way that guarantees them a good reputation among competitors (Xie et al., 2022).

In the same context, internal and external stakeholders have shown more interest in the environmental performance of organizations recently, due to many reasons, most notably the impact of environmental pollution, desertification issues and scarcity of natural resources (Signori et al., 2021). Some stakeholders, such as employees, may be affected by the environmental pollution within the work environment at the internal level, while the interests of the external stakeholders include communities affected by local pollution, environmentalist groups, government regulators, shareholders, investors, customers, suppliers and others (Baran et al., 2022). Therefore, it is necessary for companies to adopt best practices to reduce the environmental pollution, harmful gas emissions, waste and hazardous waste, drainage issues, leaks and other negative environmental influences (Arvidsson, & Dumay, 2022).

Therefore, the companies are now seeking socially responsible investment (SRI) by including sustainability criteria into their investment decisions. This is contrast with the classic investment perspective, which focused only on the financial standards and results. Accordingly, the companies that have started to regulate their sustainability criteria through considering three main dimensions of environment, society and governance and through developing active strategies for these dimensions, such as sustainability funds or the uses of the shareholders' rights to direct their strategies towards these activities (Sahut & Pasquini-Descomps, 2015).

In the same context, investors and shareholders in companies became subject to ethical pressures towards sustainability strategies and governance, environmental and social responsibility issues by societies and legislators alike. This aimed to face any operational or reputational risks, especially in the wake of the last financial crisis in 2008, which affected the confidence of investors in the financial markets and the traditional investments. Many new legislations, recommendations and rules have been launched recently regarding these issues, which will bring to companies and their investors a certain moral satisfaction (Ionescu et al., 2019). It is not clear how ESG strategies will be reflected in the performance of companies in the market and their ability to face the operational and the reputational risks, which constitutes the main question in this study.

First: Strategy of the environmental performance

The environmental problems are among the most prominent challenges facing the world, due to the recent and remarkable manifestations such as climate change, global warming, and others that may affect the performance of companies in the future. Companies must be aware of these global issues, with the need to set environmental regulations in a way that discloses any information related to their obligations towards these issues (Buallay et al., 2020). Therefore, the previous literature discussed the effects of the environmental problems on companies from different aspects. Results of the study of (Ren et al., 2022; Lubis & Rokhim, 2021; Mohammad & Wasiuzzaman, 2021) showed that there is a link between the environmental performance and its disclosure in the annual reports of companies and their economic performance and positive impact on the company’s reputation in the markets where they operate. The results of the study of (Tasnia et al., 2020; Bătae et al., 2021) showed that there is a relation between the strategic environmental practices carried out by companies and reducing the operational risks and improving their management (Khorin & Krikunov, 2021; Pagani et al., 2021). Meanwhile, the study of (Shodiq, 2021; Al Hawaj & Buallay, 2022) showed that companies which have strategies oriented towards the environmental practices affect positively their economic and social performance and support their competitive advantage (Bătae et al., 2021; Lu et al., 2022).

In the same context, many studies indicated that there is a relation between the level of environmental disclosure and the growth of company revenues and achieving returns on investment and property rights (Thomas et al., 2021; Lu et al., 2022). Other studies showed that there is evidence about a move towards the environmental practices and sales volume, which proves that the environmental disclosure and its reports contribute significantly to improving the reputation and image of companies conducting these practices (Mattera et al., 2021; Mohammad & Wasiuzzaman, 2021; Lubis & Rokhim, 2021). The results of other studies also indicated that there is a relation between the environmental activities and the profitability of companies carrying out them in many countries (Buallay, 2021; Klimontowicz et al., 2021).

From this point, the current study discusses the role of the disclosure of the strategic environmental practices in reducing the company reputational and operational risks, by answering the following question:

- Do the Jordanian insurance companies issue reports on the disclosure of environmental practices?

Results of the descriptive analysis of the previous studies showed a positive impact of the environmental practices on the risk management in companies. Meanwhile, the results of the content analysis of the reports of the Jordanian insurance companies indicated that there is a full disclosure of the environmental practices and related activities, as well as the disclosure of related non-financial data.

Second: Strategy of the social performance

Social performance is one of the most prominent recent topics that have attracted the attention of researchers due to its benefits to societies. Social responsibility is defined as that building which confirms and shows the responsibilities of companies towards shareholders, suppliers, governments and society as a whole (Halbritter & Dorfleitner, 2015; Gillan et al., 2021; Alareeni & Hamdan, 2020). Therefore, many studies indicated that there is a positive impact of social responsibility in improving the reputation of companies and recruiting qualified employees to them, especially those companies with high levels of social responsibility (Gillan et al., 2021; Wang & Sarkis, 2017). Moreover, the social responsibility is represented in their activities targeted at employees, product or service, community, human rights, training, development of human resources and health and safety activities (Garcia et al., 2017; García-Sánchez et al., 2020; Tarigan et al., 2020).

The social responsibility has become of great interest all over the world from different points of view. Some studies have shown that there is a link between this concept and the agency theory and the cost management (Ferrell et al., 2016; Vitolla et al., 2020; Javed et al., 2020). Meanwhile, studies have proved that there is a positive relation between the social responsibility and its activities and the financial performance (Sarannya Kengkathran, 2018; Devie et al., 2019; Buallay et al., 2020; Bătae et al., 2021; Pagani et al., 2021). The studies also showed a positive impact of the social responsibility in reducing the reputational risks and improving the image of the companies practicing it (Ashwin Kumar et al., 2016 ;Timofeeva, 2018; Zhang et al., 2020; Del Giudice & Rigamonti, 2020; Lööf et al., 2022 ; Lee & Suh, 2022).

Furthermore, the results of some studies indicated that there are developed relations with stakeholders as a result of the increased social spending, which may reduce the costs of companies' private activities in sales and build their organizational reputation, which increases their opportunities in the markets (Ikram et al., 2019; Gao et al., 2019; Barauskaite & Streimikiene, 2021). This, in turn, increases the financial performance of the company, as strategies of social responsibility can be used to enhance the projects' organization, which have various advantages. The social responsibility can affect the reputation of companies and customer satisfaction, which increases their value during their practice of the social responsibility activities (Landi & Sciarelli, 2018; Gillan et al., 2021; Chen et al., 2021). These results are consistent with some other studies that showed a positive relation between the company's social responsibility and its reputation (Karwowski & Raulinajtys-Grzybek, 2021; Gillan et al., 2021; Weston & Nnadi, 2021). These studies indicated that the increased disclosure of the social responsibility practices increases its market value and profitability (Jordaan et al., 2018; Kuo et al., 2021; Mohammad & Wasiuzzaman, 2021).

In the same context, many studies on the social responsibility found that carrying out activities towards society enhances competitiveness in emerging markets in particular (Hiep et al., 2021; Amel-Zadeh& Serafeim, 2018). This also reduces the risks of companies (Verheyden et al., 2016; Ashwin Kumar et al., 2016; Karwowski et al, 2021; Lööf et al., 2021). Adopting these activities is one of the main modern methods through which it is possible to increase the confidence of stakeholders and enhance risks confrontation (Pagano et al., 2018; Bannier et al., 2019; Cornell, 2021; Alazzani et al., 2021; da Silva 2022). This is consistent with the study of (Breitenstein et al., 2021; Lööf et al., 2021; Rubbaniy et al., 2021), which showed a positive correlation and impact of the social responsibility in risk management. Thus, many studies supported the existence of this relation and pointed out evidence that social responsibility has a positive relation in confronting the reputational and operational risks according to the environment in which these studies were conducted (Zumente & Bistrova, 2021; Sahin et al., 2022).

From this point of view, the current study discusses the role of disclosing the performance of the social responsibility of the insurance companies by answering the following question:

- Do insurance companies issue disclosure reports about their activities of social responsibility?

The answer can be as follows:
Results of the descriptive analysis of the previous studies showed a positive impact of social responsibility practices on risk management in companies, whether they were operational or reputational risks. Meanwhile, the results of analyzing the content of the reports of the Jordanian insurance companies indicated that there is a clear disclosure about the practices of social responsibility, the provision of support and donations to societies and the disclosure of related non-financial data.

Third: The strategy of governance

The global financial crisis in the period from 2007-2009 led most companies to advance the enhancement of the levels of institutional governance, disclosure and transparency within their strategies, as the role of governance became an important issue and constitutes the most prominent priorities in these companies (Van Hoang et al., 2021; Gennaro & Nietlispach, 2021). Governance is considered as one of the main sources that played a major role in the financial crisis (Zhou & Zhou, 2021). Therefore, the effective governance strategy is an essential factor in improving the performance of companies for the benefit of shareholders and stakeholders, in addition to reducing the agency costs related to companies and enabling them to continue and sustain their business (Jan et al., 2021). From this point of view, adopting an effective governance strategy in companies contributes significantly to providing financial and non-financial data and information to investors and strengthening their internal operations within what is planned (Ellili et al., 2022; Dang & Nguyen, 2021).

Governance is also considered as a range of methods of an organizational and administrative nature that allow harmonization between stakeholders, including managers and investors, and ensure the proper implementation of business in a way that achieves their interests and ensures profitability and stability (Jan et al., 2021; Khatib & Nour, 2021). Governance is also defined as all the procedures that companies use to coordinate their activities in a way that improves their business and supports their responsibilities towards shareholders in the long term, taking into account the interests of all relevant parties in the company (Kengkathran, 2018; Lubis et al., 2021).

In this context, many studies emphasized the impact of governance structures on the financial performance of companies and their profitability (Musah & Adutwumwaa, 2021; Boachie, 2021). Meanwhile, some other studies have shown a relation between governance and the financial and operational performance of companies in various sectors (Aslam et al., 2021; Nasrallah & El Khoury, 2022). The results of some studies also have concluded that there is a relation between the turnover rates of executive managers and the governance structures and decision-making (Grabinska et al., 2021; Van Hoang et al., 2021; Park & Jang, 2021). There is also an impact of the governance mechanisms on improving the performance of companies in managing the operational risks (Johnson, 2021; Chen et al., 2021). Moreover, there is a positive impact of governance on confronting the reputational risks in many sectors such as the insurance sector and banks (Karwowski et al., 2021; Dhingra & Krishnan, 2021). Some studies have also concluded that there is a strong positive relation between the governance practices and the non-financial performance of companies such as improving the activities of the social and environmental responsibility in many companies (Mishra et al., 2021; Bawazir et al., 2021). The boards of directors make decisions to support communities, environment, social activities and health and education issues and improve the internal work environment. They also approve the annual and strategic plans to be included in their decisions and disclosed later in the annual reports (Vitolla et al., 2020; Ahmad et al., 2021).
Other studies have verified the relations between the governance and the reduction of some types of risks such as the risks of reputation, operation,

liquidity, credit and others, most of which confirmed the existence of a positive relation between its variables (Capelli et al., 2021; Li, 2021; Jin, 2022). There is also a significant positive relation between the percentage of non-executive board members in large-sized companies, as these studies have indicated that there are effective and sound governance mechanisms in these companies in a remarkable way (Bencomo et al., 2021; Yadav et al., 2021).
Thus, it is possible to consider the reality of the institutional governance in insurance companies by answering the following question:

- Do Jordanian insurance companies disclose their practice of the institutional governance activities and pillars in their annual reports?

The answer can be as follows:
Results of the descriptive analysis of the previous studies showed a positive impact of the governance rules on the risk management in companies. Meanwhile, the results of the content analysis of the reports of the Jordanian insurance companies have indicated a great commitment in disclosing the rules and pillars of governance and mentioning the organizational structures that they include, in addition to a clear application for the disclosure of non-financial data related to stakeholders.

Third: The risks

The concept of risks is one of the most prominent concepts that attracted the attention of researchers and practitioners in the contemporary business environment. Risks can be defined as a future possibility of the company being exposed to unexpected and sudden losses, which may affect its business and the achievement of its objectives and obstruct its path towards the anticipated success (Elamer et al., 2018). Meanwhile, risks can be considered as a range of factors and events that lead companies to lose control over their business outcomes, affect their continuity and expose them to failure and closure (Ruiz, 2020). From an economic and financial point of view, risks can be viewed as those influences that lead to significant fluctuations in the financial returns of companies, which may lead to an impact on their market value, which in turn affects the rights of shareholders in companies (Khazal, 2012).

Therefore, companies, regardless of the nature and size of their business, have developed policies, drawn up plans and prepared appropriate procedures to establish limits for any risks of negative effects arising from their business (Keshk et al, 2018). Companies have also taken into consideration developing a classification of risks in general and allocating sufficient resources in order to confront them and striving to maintain their minimum levels through analysis, evaluation and monitoring in order to limit and mitigate their negative effects (Landi et al., 2022). One of the most prominent risks facing the insurance sector in Jordan is the operational risks, which affect greatly the company internal operations and represent a clear challenge to it. The reputational risk is also one of the most prominent types of risks that affect the market value of companies and expose the price of their shares and the rights of their owners to decline or loss in some cases (Fjæran & Aven, 2019).

First: The operational risks

Many studies have addressed the concept of operational risks, which can be defined as those risks resulting from some professional, human or technical errors that are used in companies, which are represented in some shortcomings as a result of their work (Landi & Sciarelli, 2018). The operational risks can also result from some internal accidents in companies or from some legal risks incurred by the company as a result of carrying out its business (Gillan et al., 2021). Meanwhile, the Basel Committee, in its definition of operational risks, have referred to any risks that may result in failure to implement internal processes or losses arising from people or systems or external events (Gittfried et al., 2022, 128).

In the same context, the operational risks are considered among the most prominent risks that companies may face while conducting their business. Among the most prominent of these risks are those related to the inefficiency or failure of operations at the internal level of the company, or those resulting from external events that do not fall within the company's environment, or those resulting from the human factor which is considered one of the biggest operational risks affecting companies (Gasperini, 2020). The operational risks have caused many effects and results, most notably the improper implementation of internal processes, errors in developing controls and proper assessment of them by the relevant committees in the boards of directors, failure in techniques, non-compliance and adherence to policies, procedures and regulations and lack of proper implementation of them and the possibility of internal or external fraud and accidents (Atkins et al., 2019; Rose, 2020).

From this point of view, many previous studies have highlighted the need for companies to hedge against operational risks and develop plans for recovery to reduce their negative effects if they occur (dos Santos & Pereira, 2022; Valentini, 2018; Coqueret, 2021). Furthermore, many studies have shown that the sound and clear disclosure about the performance of companies contributes greatly to those who are concerned in the boards of directors and the committees emanating from them to draw plans and to take decisions to prevent the occurrence of any risks of an operational nature in companies (Coffee, 2021; de Silva & de Silva, 2020). Meanwhile, some other studies have confirmed that there is a strong positive relation between the risk committees and the sound governance practices to prevent any risks that companies may be exposed to (Tao & Hutchinson, 2013; Busru et al., 2020). The results of some studies also have indicated that the disclosure of the environmental practices may contribute significantly to reducing the operational risks (Benlemlih et al., 2018; Alhadhrami & Nobanee, 2019; Buallay, 2018). The fact that companies develop plans to confront these risks and shift attention to environmental issues effectively contribute to reducing the negative effects associated with their work, most notably emphasizing the concern for internal safety issues and the green work environment and providing the adequate support to reduce pollution and other environmental activities that are disclosed in special reports (Zhang et al., 2020; Mohammad & Wasiuzzaman, 2021).

Therefore, the current study will discuss the following question:

- Do the Jordanian insurance companies have departments and sections concerned with risks within their organizational structures, and do the environmental, social and governance strategies and practices affect the reduction of operational risks?

Results of the descriptive analysis of the previous studies have shown a positive impact of the environmental, social and governance strategies and practices on the risk management in companies. Meanwhile, the results of the content analysis of the reports of the Jordanian insurance companies have indicated that there are special functions and departments for managing the operational risks within their organizational structures, in compliance with the legislations and instructions regulating the work of insurance companies.

Second: The reputational risks

The reputational risk is one of the most prominent risks that are related to the success of companies, where a trustworthy reputation is one of the most important objectives that companies are keen to achieve because of their positive impact on the results of their work and guarantee them continuity and success (Choudhry, 2018, 39). Thus, this type of risk may arise as a result of the companies' failure to establish sound rules of governance or as a result of not being able to achieve a reliable and secure network of services provided to customers (Vallens, 2008; Gangi et al., 2020). The reason may also be attributed to the companies' failure to provide appropriate services, service interruption or poor provision (Karwowski et al., 2021). In some cases, the reputational risks arise in the event of a defect in the necessary disclosures to stakeholders, or when there are any violations of internal regulations and policies and deviation from carrying out the plans as planned in advance (Skaife & Werner, 2020).

Many studies have indicated the need for public shareholding companies to disclose the necessary and sufficient information about all their activities because of their positive effects on their economic value (Ellili et al., 2022; Teng et al., 2021; Rajesh et al., 2021). The results of some studies have also indicated that the reputational risks may cause a negative impression on companies, which may lead to losses in their funding sources, or may lead to the transfer of some shareholders into competing companies (Rajesh et al., 2021; Sheykhi, 2022; Cornell, 2021). Meanwhile, some studies have concluded that the most important causes of the reputational risks are the lack of customer service with the required quality or weak technical security systems (Lee & Suh, 2022). Among the reasons that result in the reputational risks are the existence of some cases and lawsuits or some internal violations such as internal fraud and misrepresentation in the financial data (Gillan et al., 2021). Moreover, the existence of some harmful environmental practices for society leads to undermining the confidence of stakeholders in the company (Buallay, 2021; Klimontowicz et al., 2021). Among what causes the reputational risks also are that have arised from the weak governance mechanisms in companies (Gennaro & Nietlispach, 2021).
Therefore, the following study question can be answered:

- Do the environmental, social and governance strategies and practices play a role in reducing risks in the Jordanian insurance companies?

Many studies have indicated that the motives for conducting the changes in the governance rules of companies resulted from the concern in many environmental and social issues and avoiding any shortcomings in corporate governance. The guidelines in the risk management in companies listed on the stock exchanges have witnessed unparalleled interest recently, as these guidelines called for the need for the boards of directors in companies to assume the responsibility of identifying risks to the companies' business and the need to ensure the implementation of the regulations and policies to manage these risks (Weston & Nnadi, 2021). From this point of view, the new governance rules have allowed companies to develop them to become comprehensive and address all the risks that these companies may encounter (Gangi et al., 2020).

The modern perspective of the risk management have provided the opportunity to develop the rules of governance and to depart from the traditional approach in ways to confront these risks, as major companies focus on the benefits of the risk management participation among all members of the same company and all stakeholders. The new approach requires identifying, evaluating and managing risks efficiently (Bannier et al., 2019). Thus, many studies have indicated that companies should consider risks in a holistic perspective and separately for each business unit in companies (Teng et al., 2021; Gangi et al., 2020). This may eventually lead to adopting a portfolio approach of risk management in companies (Verheyden et al., 2016; Eratalay & Ángel, 2022; Samyukth, 2021). Moreover, the need for adopting a risk-based approach in companies during the past decade has led to an increased interest in defining and evaluating risks and taking them as guidance in making decisions related to the company (Khorin, & Krikunov, 2021). Some changes must be made in the organizational structures in companies so that investors become more sensitive to the volatility of profits as a result of exposure to risks (Boachie, 2021; Grabinska et al., 2021). Meanwhile, some other studies have concluded that the increase in the accountability rules within the governance of boards of directors and the existence of specialized committees in risk management contribute significantly to focus on the risk management systems and getting tangibly close to the capital and insurance markets (Alareeni & Hamdan, 2020; Lee & Suh, 2022). The recent development has figured out new methods of risk management that facilitate achieving low levels of risk. Meanwhile, the results of the content analysis of the annual reports of the companies under this study have shown a clear interest in the risk management in general and the reputational risks in particular through the risk department and section in these companies, in view of what was mentioned in these reports.
From this point of view, the legislative authorities in Jordan have called for setting special instructions for governance and risks in general and operational and reputational risks in particular in the Jordanian insurance companies. They also have confirmed the necessity for subjecting these instructions to the oversight of the official bodies such as the Jordan Securities Commission and the Central Bank of Jordan, which recently have included the insurance sector within their supervisory and oversight competence and published many relevant instructions.

Results of the study

- There is a disclosure about the social responsibility activities in the annual reports of the major insurance companies in Jordan, based on the analysis of

these reports during the period of this study. Most of the activities focused on providing donations and support to the local community and education and health issues, especially during the period of the Covid 19 pandemic.
- There is a sufficient disclosure about the environmental practices and activities based on the analysis of reports during the period of this study, as most activities focus on supporting environmental campaigns, companies' keenness to provide clean energy sources and to improve the internal work environment.
- There is a sufficient disclosure in line with the rules and instructions of the institutional governance. There are special departments and sections specialized in risk management and effectiveness of the internal audit function. There is also a disclosure of the members of the board of directors and executive management.
- There is a sufficient awareness by companies about the necessity of publishing their non-financial data in their annual reports, which affects the reduction of the reputational and operational risks in a way consistent with the previous relevant studies.

Conclusion

This paper presents a new approach to the strategies of environmental, social and institutional governance based on the systematic strategic management of the maturity of organizations in adopting these strategies and making them one of the evaluation criteria and part of their disclosed reports, along with their annual reports and an integral part of their methods used to face operational risks and reputational risks that may It is facing it, as modern corporate reports from a global standpoint have become one of the main outputs of the work of organizations, which provide detailed information, especially about strategic aspects and social activities, which can be considered a new scientific trend, and its importance has grown due to the organizations' .

desire for further development, and therefore the review of these strategies in Insurance companies not only determine the level of commitment of organizations to the rules of governance, but also contribute to determining the best strategies and practices in governance, which must be focused on to reach companies that are well designed, developed and mature strategies that keep pace with global experiences in this context, which ensures them the best strategic dynamics directed towards The environment, society and the institution on the At the internal level, the paper reviewed the most relevant topics in these strategies in addition to the most important risks that these strategies may lead to reducing and hedging them, with a discussion of the critical role of them in the surveyed companies, where it resolved in its results all the following:
The extent of disclosure of societal governance strategies from the reality of social responsibility activities in the annual reports of major Jordanian insurance companies, especially during the COVID-19 pandemic.
- The extent of disclosure about environmental governance strategies from the reality of environmental responsibility activities through the analysis of annual reports during the study period.

- The extent of disclosure of governance and its rules in light of the commitment of the major Iranian insurance companies to disclose their boards of directors and executive management.
- The extent of awareness and commitment of the surveyed companies in publishing their statements and annual reports that include environmental, social and institutional governance, with their impact on reducing reputational and operational risks, in line with previous relevant studies reviewed.

References

Ahmad, I., Sadiqa, A. B., & Khan, R. (2021). The Impact of Corporate Governance Practices on the Firm Financial Performance of the Non-Financial Firms. *Global Economics Review, VI.*

Al Hawaj, A. Y., & Buallay, A. M. (2022). A worldwide sectorial analysis of sustainability reporting and its impact on firm performance. *Journal of Sustainable Finance & Investment*, *12*(1), 62-86.

Alareeni, B. A., & Hamdan, A. (2020). ESG impact on performance of US S&P 500-listed firms. *Corporate Governance: The International Journal of Business in Society*.

Alazzani, A., Wan-Hussin, W. N., Jones, M., & Al-Hadi, A. (2021). ESG reporting and analysts' recommendations in GCC: The Moderation role of royal family directors. *Journal of Risk and Financial Management*, *14*(2), 72.

Alhadhrami, A., & Nobanee, H. (2019). Sustainability Practices and Sustainable Financial Growth. *Available at SSRN 3472413*.

Alqallaf, H., & Alareeni, B. (2018). Evolving of selected integrated reporting capitals among listed Bahraini banks. *International Journal of Business Ethics and Governance*, *1*(1), 15-36.

Amel-Zadeh, A., & Serafeim, G. (2018). Why and how investors use ESG information: Evidence from a global survey. *Financial Analysts Journal*, *74*(3), 87-103.

Arvidsson, S., & Dumay, J. (2022). Corporate ESG reporting quantity, quality and performance: Where to now for environmental policy and practice?. *Business Strategy and the Environment*, *31*(3), 1091-1110.

Ashwin Kumar, N. C., Smith, C., Badis, L., Wang, N., Ambrosy, P., & Tavares, R. (2016). ESG factors and risk-adjusted performance: a new quantitative model. *Journal of Sustainable Finance & Investment*, *6*(4), 292-300.

Aslam, E., Haron, R., & Ahmad, S. (2021). A comparative analysis of the performance of Islamic and conventional banks: does corporate governance matter?. *International Journal of Business Excellence*, *24*(1), 53-67.

Atkins, A. C., & Ritchie, M. (2019, April). Improving board assurance of technical and operational risks in mining. In *MGR 2019: Proceedings of the First International Conference on Mining Geomechanical Risk* (pp. 97-110). Australian Centre for Geomechanics.

Babin, R., & Nicholson, B. (2011). How green is my outsourcer? Measuring sustainability in global IT outsourcing. *Strategic Outsourcing: An International Journal*.

Bannier, C. E., Bofinger, Y., & Rock, B. (2019). *Doing safe by doing good: ESG investing and corporate social responsibility in the US and Europe* (No. 621). CFS Working Paper Series.

Baran, M., Kuźniarska, A., Makieła, Z. J., Sławik, A., & Stuss, M. M. (2022). Does ESG Reporting Relate to Corporate Financial Performance in the Context of the Energy Sector Transformation? Evidence from Poland. *Energies (19961073)*, *15*(2), 477. https://doi.org/10.3390/en15020477

Barauskaite, G., & Streimikiene, D. (2021). Corporate social responsibility and financial performance of companies: The puzzle of concepts, definitions and assessment methods. *Corporate Social Responsibility and Environmental Management*, *28*(1), 278-287.

Bătae, O. M., Dragomir, V. D., & Feleagă, L. (2021). The relationship between environmental, social, and financial performance in the banking sector: A European study. *Journal of Cleaner Production*, *290*, 125791.

Bawazir, H., Khayati, A., & AbdulMajeed, F. (2021). Corporate governance and the performance of non-financial firms: the case of Oman. *Entrepreneurship and Sustainability Issues*, *8*(4), 595.

Bencomo, R. Q. (2021). The Role of Independent Non-Executive Directors in Resolving Corporate Governance Disputes: A Framework of Conciliation for Effectively Addressing Controversies Within Shareholders, Stakeholders and the Board of Directors?. *Trento Student Law Review*, *3*(1), 17-58.

Benlemlih, M., Shaukat, A., Qiu, Y., & Trojanowski, G. (2018). Environmental and social disclosures and firm risk. *Journal of Business Ethics*, *152*(3), 613-626.

Boachie, C. (2021). Corporate governance and financial performance of banks in Ghana: the moderating role of ownership structure. *International Journal of Emerging Markets*.

Breitenstein, M., Nguyen, D. K., & Walther, T. (2021). Environmental hazards and risk management in the financial sector: A systematic literature review. *Journal of Economic Surveys*, *35*(2), 512-538.

Buallay, A. (2022). Sustainability reporting and retail sector performance: worldwide evidence. *The International Review of Retail, Distribution and Consumer Research*, 1-20.

Buallay, A., Fadel, S. M., Alajmi, J., & Saudagaran, S. (2020). Sustainability reporting and bank performance after financial crisis: evidence from developed and developing countries. *Competitiveness Review: An International Business Journal*.

Busru, S. A., Shanmugasundaram, G., & Bhat, S. A. (2020). Corporate governance an imperative for stakeholders protection: Evidence from risk management of Indian listed firms. *Business Perspectives and Research*, *8*(2), 89-116.

Capelli, P., Ielasi, F., & Russo, A. (2021). Forecasting volatility by integrating financial risk with environmental, social, and governance risk. *Corporate Social Responsibility and Environmental Management*, *28*(5), 1483-1495.

Chen, L., Zhang, L., Huang, J., Xiao, H., & Zhou, Z. (2021). Social responsibility portfolio optimization incorporating ESG criteria. *Journal of Management Science and Engineering*, *6*(1), 75-85.

Choudhry, M. (2018). *An introduction to banking: principles, strategy and risk management*. John Wiley & Sons.

Coffee Jr, J. C. (2021). The Future of Disclosure: ESG, Common Ownership, and Systemic Risk. *Colum. Bus. L. Rev.*, 602.

Coqueret, G. (2021). Perspectives in ESG equity investing. *Perspectives in ESG equity investing (March 10, 2021)*.

Cornell, B. (2021). ESG preferences, risk and return. *European Financial Management*, *27*(1), 12-19.

da Silva, P. P. (2022). Crash Risk and ESG Disclosure. *Borsa Istanbul Review*.

Dang, V. C., & Nguyen, Q. K. (2021). Internal corporate governance and stock price crash risk: evidence from Vietnam. *Journal of Sustainable Finance & Investment*, 1-18.

de Silva Lokuwaduge, C. S., & de Silva, K. (2020). Emerging corporate disclosure of environmental social and governance (ESG) risks: An Australian study. *Australasian Accounting, Business and Finance Journal*, *14*(2), 35-50.

Del Giudice, A., & Rigamonti, S. (2020). Does audit improve the quality of ESG scores? Evidence from corporate misconduct. *Sustainability*, *12*(14), 5670.

Devie, D., Liman, L. P., Tarigan, J., & Jie, F. (2019). Corporate social responsibility, financial performance and risk in Indonesian natural resources industry. *Social Responsibility Journal*.

Dhingra, V., & Krishnan, H. (2021). Managing reputation risk in supply chains: The role of risk sharing under limited liability. *Management Science*, *67*(8), 4845-4862.

Dorfleitner, G., Halbritter, G., & Nguyen, M. (2015). Measuring the level and risk of corporate responsibility–An empirical comparison of different ESG rating approaches. *Journal of Asset Management*, *16*(7), 450-466.

dos Santos, M. C., & Pereira, F. H. (2022). ESG performance scoring method to support responsible investments in port operations. *Case Studies on Transport Policy*, *10*(1), 664-673.

Drempetic, S., Klein, C., & Zwergel, B. (2020). The influence of firm size on the ESG score: Corporate sustainability ratings under review. *Journal of Business Ethics*, *167*(2), 333-360.

Elamer, A. A., AlHares, A., Ntim, C. G., & Benyazid, I. (2018). The corporate governance–risk-taking nexus: evidence from insurance companies. *International Journal of Ethics and Systems*.

Ellili, N. O. D. (2022). Impact of ESG disclosure and financial reporting quality on investment efficiency. *Corporate Governance: The International Journal of Business in Society*.

Eratalay, M. H., & Cortés Ángel, A. P. (2022). The impact of ESG ratings on the systemic risk of European blue-chip firms. *Journal of Risk and Financial Management*, *15*(4), 153.

Ferrell, A., Liang, H., & Renneboog, L. (2016). Socially responsible firms. *Journal of financial economics*, *122*(3), 585-606.

Fjæran, L., & Aven, T. (2019, September). Effective stakeholder involvement requires a common understanding of the risk concept. In *Proceedings of the 29th European Safety and Reliability Conference (ESREL)* (pp. 22-26).

Galbreath, J. (2013). ESG in focus: The Australian evidence. *Journal of business ethics*, *118*(3), 529-541.

Gangi, F., Daniele, L. M., & Varrone, N. (2020). How do corporate environmental policy and corporate reputation affect risk-adjusted financial performance?. *Business Strategy and the Environment*, *29*(5), 1975-1991.

Gao, Y., Yang, H., & Hafsi, T. (2019). Corporate giving and corporate financial performance: the S-curve relationship. *Asia Pacific Journal of Management*, *36*(3), 687-713.

Garcia, A. S., Mendes-Da-Silva, W., & Orsato, R. J. (2017). Sensitive industries produce better ESG performance: Evidence from emerging markets. *Journal of cleaner production*, *150*, 135-147.

García-Sánchez, I. M., Gallego-Álvarez, I., & Zafra-Gómez, J. L. (2020). Do the ecoinnovation and ecodesign strategies generate value added in munificent environments?. *Business Strategy and the Environment*, *29*(3), 1021-1033.

Gasperini, A. (2020). Principles for Responsible Investment (PRI) and ESG Factors. *Climate Action*, 737-749.

Gennaro, A., & Nietlispach, M. (2021). Corporate Governance and Risk Management: Lessons (Not) Learnt from the Financial Crisis. *Journal of Risk and Financial Management*, *14*(9), 419.

Gerard, B. (2019). ESG and socially responsible investment: A critical review. *Beta*, *33*(1), 61-83.

Gillan, S. L., Koch, A., & Starks, L. T. (2021). Firms and social responsibility: A review of ESG and CSR research in corporate finance. *Journal of Corporate Finance*, *66*, 101889.

Gittfried, N., Lienke, G., Seiferlein, F., Leiendecker, J., & Gehra, B. (Eds.). (2022). *Non-financial Risk Management in the Financial Industry: A Target Operating Model for Compliance and ESG Risks*. Frankfurt School Verlag.

Grabinska, B., Kedzior, M., Kedzior, D., & Grabinski, K. (2021). The Impact of Corporate Governance on the Capital Structure of Companies from the Energy Industry. The Case of Poland. *Energies*, *14*(21), 7412.

Halbritter, G., & Dorfleitner, G. (2015). The wages of social responsibility—Where are they? A critical review of ESG investing. *Review of Financial Economics*, *26*, 25-35.

Hiep, P. M., Tien, N. H., Dana, L. P., Kuc, B. R., Van Tien, N., & Ha, V. X. (2021). Enhancing Social Responsibility and Sustainability in Real Estate Industry. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, *12*(14), 4999-5013.

Hughey, C. J., & Sulkowski, A. J. (2012). More disclosure= better CSR reputation? An examination of CSR reputation leaders and laggards in the global oil & gas industry. *Journal of Academy of Business and Economics*, *12*(2), 24-34.

Ikram, M., Sroufe, R., Mohsin, M., Solangi, Y. A., Shah, S. Z. A., & Shahzad, F. (2019). Does CSR influence firm performance? A longitudinal study of SME sectors of Pakistan. *Journal of Global Responsibility*.

Ionescu, G. H., Firoiu, D., Pirvu, R., & Vilag, R. D. (2019). The impact of ESG factors on market value of companies from travel and tourism industry. *Technological and Economic Development of Economy*, *25*(5), 820-849.

Jan, A. A., Lai, F. W., Draz, M. U., Tahir, M., Ali, S. E. A., Zahid, M., & Shad, M. K. (2021). Integrating sustainability practices into islamic corporate governance for sustainable firm performance: from the lens of agency and stakeholder theories. *Quality & Quantity*, 1-24.

Javed, M., Rashid, M. A., Hussain, G., & Ali, H. Y. (2020). The effects of corporate social responsibility on corporate reputation and firm financial performance: Moderating role of responsible leadership. *Corporate Social Responsibility and Environmental Management*, *27*(3), 1395-1409.

Jin, I. (2022). Systematic ESG Risk and Passive ESG Investing. *The Journal of Portfolio Management*, *48*(5), 71-86.

Johnson, K. L. (2021). Is it risky to make the world a better place: A study on the association between Environmental, Social, and Governance (ESG) operational risk management and market derived volatilities.

Jordaan, L. A., De Klerk, M., & De Villiers, C. J. (2018). Corporate social responsibility and earnings management of South African companies. *South African Journal of Economic and Management Sciences*, *21*(1), 1-13.

Karwowski, M., & Raulinajtys-Grzybek, M. (2021). The application of corporate social responsibility (CSR) actions for mitigation of environmental, social, corporate governance (ESG) and reputational risk in integrated reports. *Corporate Social Responsibility and Environmental Management*, *28*(4), 1270-1284.

Kengkathran, S. (2018). A literature review on the impact of environmental, social and governance (ESG) disclosure on financial performance of energy companies in Asean. *Global Business and Management Research*, *10*(3), 1071.

Keshk, A. M., Maarouf, I., & Annany, Y. (2018). Special studies in management of construction project risks, risk concept, plan building, risk quantitative and qualitative analysis, risk response strategies. *Alexandria engineering journal*, *57*(4), 3179-3187.

Khatib, S. F., & Nour, A. N. I. (2021). The impact of corporate governance on firm performance during the COVID-19 pandemic: evidence from Malaysia. *Journal of Asian Finance, Economics and Business*, *8*(2), 0943-0952.

Khazal, Nidal (2012). The impact of operational risks in electronic banking in light of the principles of Basel (2): An applied study in some Iraqi banks, *Journal of Accounting and Financial Studies*, 7(20), 2012, 253-284

Khorin, A., & Krikunov, A. (2021). ESG-risk Factors and Value Multiplier of Telecommunications Companies. *Journal of Corporate Finance Research/Корпоративные Финансы| ISSN: 2073-0438*, *15*(4), 56-65.

Klimontowicz, M., Losa-Jonczyk, A., & Zacny, B. (2021). Banks' Energy Behavior: Impacts of the Disparity in the Quality and Quantity of the Disclosures. *Energies*, *14*(21), 7325.

Kuo, T. C., Chen, H. M., & Meng, H. M. (2021). Do corporate social responsibility practices improve financial performance? A case study of airline companies. *Journal of Cleaner Production*, *310*, 127380.

Landi, G. C., Iandolo, F., Renzi, A., & Rey, A. (2022). Embedding sustainability in risk management: The impact of environmental, social, and governance ratings on corporate financial risk. *Corporate Social Responsibility and Environmental Management*.

Landi, G., & Sciarelli, M. (2018). Towards a more ethical market: the impact of ESG rating on corporate financial performance. *Social Responsibility Journal*.

Lee, M. T., & Suh, I. (2022). Understanding the effects of Environment, Social, and Governance conduct on financial performance: Arguments for a process and integrated modelling approach. *Sustainable Technology and Entrepreneurship*, *1*(1), 100004.

Li, Q. (2021). The Impact of ESG Risk Score on Holding Period Return. *Available at SSRN 3833214*.

Lööf, H., Sahamkhadam, M., & Stephan, A. (2022). Is Corporate Social Responsibility investing a free lunch? The relationship between ESG, tail risk, and upside potential of stocks before and during the COVID-19 crisis. *Finance Research Letters*, *46*, 102499.

Lu, J., Rodenburg, K., Foti, L., & Pegoraro, A. (2022). Are firms with better sustainability performance more resilient during crises?. *Business Strategy and the Environment*.

Lubis, M. F. F., & Rokhim, R. (2021, December). The Effect of Environmental, Social, and Governance (ESG) Disclosure and Competitive Advantage on Companies Performance as An Implementation of Sustainable Economic Growth in Indonesia for Period of 2015-2019. In *IOP Conference Series: Earth and Environmental Science* (Vol. 940, No. 1, p. 012059). IOP Publishing.

Mattera, M., Ruiz-Morales, C. A., Gava, L., & Soto, F. (2021). Sustainable business models to create sustainable competitive advantages: strategic approach to overcoming COVID-19 crisis and improve financial performance. *Competitiveness Review: An International Business Journal*.

Mishra, A. K., Jain, S., & Manogna, R. L. (2021). Does corporate governance characteristics influence firm performance in India? Empirical evidence using dynamic panel data analysis. *International Journal of Disclosure and Governance*, *18*(1), 71-82.

Mohammad, W. M. W., & Wasiuzzaman, S. (2021). Environmental, Social and Governance (ESG) disclosure, competitive advantage and performance of firms in Malaysia. *Cleaner Environmental Systems*, *2*, 100015.

Musah, A., & Adutwumwaa, M. Y. (2021). The effect of corporate governance on financial performance of rural banks in Ghana. *International Journal of Financial, Accounting, and Management*, *2*(4), 305-319.

Nasrallah, N., & El Khoury, R. (2022). Is corporate governance a good predictor of SMEs financial performance? Evidence from developing countries (the case of Lebanon). *Journal of Sustainable Finance & Investment*, *12*(1), 13-43.

OECD, O. (2004). The OECD principles of corporate governance. *Contaduría y Administración*, (216).

Pagani, A., Moggi, S., & Gaetano, A. (2021). Non-Financial Disclosure Assurance: Critical Insights from the Italian Financial Services Sector. *International Journal of Business and Management*, *16*(1), 1-8.

Pagano, M. S., Sinclair, G., & Yang, T. (2018). Understanding ESG ratings and ESG indexes. In *Research handbook of finance and sustainability*. Edward Elgar Publishing.

Park, S. R., & Jang, J. Y. (2021). The impact of ESG management on investment decision: Institutional investors' perceptions of country-specific ESG criteria. *International Journal of Financial Studies*, *9*(3), 48.

Rajesh, R., Rajeev, A., & Rajendran, C. (2021). Corporate social performances of firms in select developed economies: A comparative study. *Socio-Economic Planning Sciences*, 101194.

Ren, C., Ting, I. W. K., Lu, W. M., & Kweh, Q. L. (2022). Nonlinear effects of ESG on energy-adjusted firm efficiency: Evidence from the stakeholder engagement of apple incorporated. *Corporate Social Responsibility and Environmental Management*.

Rose, A. M. (2020). A Response to Calls for SEC-Mandated ESG Disclosure. *Wash. UL Rev.*, *98*, 1821.

Rubbaniy, G., Khalid, A. A., Rizwan, M. F., & Ali, S. (2021). Are ESG stocks safe-haven during COVID-19?. *Studies in Economics and Finance*.

Ruiz, M. (2020). Governance, Risk Management, Reporting, and Control at the Central Bank of Colombia. In *Asset Management at Central Banks and Monetary Authorities* (pp. 335-346). Springer, Cham.

Sahin, Ö., Bax, K., Paterlini, S., & Czado, C. (2022). The pitfalls of (non-definitive) Environmental, Social, and Governance scoring methodology. *Social, and Governance scoring methodology (January 28, 2022)*.

Sahut, J. M., & Pasquini-Descomps, H. (2015). ESG impact on market performance of firms: International Evidence. *Management International/International Management/Gestiòn Internacional*, *19*(2), 40-63.

Samyukth, R. (2021). Impact of ESG rating of companies on the portfolio performance. *Shanlax International Journal of Management*, *8*(4), 34-42.

Sarannya Kengkathran. (2018). A Literature Review on the Impact of Environmental, Social and Governance (ESG) Disclosure on Financial Performance of Energy Companies in Asean. *Global Business & Management Research*, *10*(3), 1071–1079.

Sheykhi, S. (2022). The relation between ESG rating divergence and a firm's financial performance.

Shodiq, M. J. (2021, July). The Influence of Sustainability Report on Islamic Banking Performance in Indonesia. In *Conference on Complex, Intelligent, and Software Intensive Systems* (pp. 590-597). Springer, Cham.

Signori, S., San-Jose, L., Retolaza, J. L., & Rusconi, G. (2021). Stakeholder value creation: Comparing ESG and value added in European companies. *Sustainability*, *13*(3), 1392.

Skaife, H. A., & Werner, T. (2020). Changes in firms' political investment opportunities, managerial accountability, and reputational risk. *Journal of business ethics*, *163*(2), 239-263.

Soana, M. G. (2011). The relationship between corporate social performance and corporate financial performance in the banking sector. *Journal of business ethics*, *104*(1), 133-148.

Streimikiene, D., Simanaviciene, Z., & Kovaliov, R. (2009). Corporate social responsibility for implementation of sustainable energy development in Baltic States. *Renewable and Sustainable Energy Reviews*, *13*(4), 813-824.

Tao, N. B., & Hutchinson, M. (2013). Corporate governance and risk management: The role of risk management and compensation committees. *Journal of Contemporary Accounting & Economics*, *9*(1), 83-99.

Tarigan, J., Susanto, A. R. S., Hatane, S. E., Jie, F., & Foedjiawati, F. (2020). Corporate social responsibility, job pursuit intention, quality of work life and employee performance: case study from Indonesia controversial industry. *Asia-Pacific Journal of Business Administration*.

Tasnia, M., AlHabshi, S. M. S. J., & Rosman, R. (2020). The impact of corporate social responsibility on stock price volatility of the US banks: A moderating role of tax. *Journal of Financial Reporting and Accounting*.

Teng, X., Wang, Y., Wang, A., Chang, B. G., & Wu, K. S. (2021). Environmental, Social, Governance Risk and Corporate Sustainable Growth Nexus: Quantile Regression Approach. *International Journal of Environmental Research and Public Health*, *18*(20), 10865.

Thomas, C. J., Tuyon, J., Matahir, H., & Dixit, S. (2021) The Impact Of Sustainability Practices On Firm Financial Performance: Evidence From Malaysia. *Management And Accounting Review*, 20 (3), 211-243.

Timofeeva, I. (2018). *Essays on responsibility and performance investments* (Doctoral dissertation, University of Reading).

Valentini, K. (2018). Hedge Fund Activism and ESG: Examining the Role of Activist Hedge Funds as Protagonists in Capital Markets.

Vallens, A. (2008). The importance of reputation. *Risk Management*, *55*(4), 36.

Van Hoang, T. H., Przychodzen, W., Przychodzen, J., & Segbotangni, E. A. (2021). Environmental transparency and performance: Does the corporate governance matter?. *Environmental and Sustainability Indicators*, *10*, 100123.

Varyash, I., Mikhaylov, A., Moiseev, N., & Aleshin, K. (2020). Triple bottom line and corporate social responsibility performance indicators for Russian companies. *Entrepreneurship and Sustainability Issues*, *8*(1), 313.

Velte, P. (2017). Does ESG performance have an impact on financial performance? Evidence from Germany. *Journal of Global Responsibility*.

Verheyden, T., Eccles, R. G., & Feiner, A. (2016). ESG for all? The impact of ESG screening on return, risk, and diversification. *Journal of Applied Corporate Finance*, *28*(2), 47-55.

Vitolla, F., Raimo, N., & Rubino, M. (2020). Board characteristics and integrated reporting quality: an agency theory perspective. *Corporate Social Responsibility and Environmental Management*, *27*(2), 1152-1163.

Wang, Z., & Sarkis, J. (2017). Corporate social responsibility governance, outcomes, and financial performance. *Journal of cleaner production*, *162*, 1607-1616.

Weston, P., & Nnadi, M. (2021). Evaluation of strategic and financial variables of corporate sustainability and ESG policies on corporate finance performance. *Journal of Sustainable Finance & Investment*, 1-17.

Xie, J., Nozawa, W., Yagi, M., Fujii, H., & Managi, S. (2019). Do environmental, social, and governance activities improve corporate financial performance? *Business Strategy & the Environment (John Wiley & Sons, Inc)*, *28*(2), 286–300. https://doi.org/10.1002/bse.2224

Yadav, N., Lakshmi, V., & Narbhariya, S. (2021). Does Corporate Governance Impact Firm Performance? A Comparative Analysis of State-Owned Enterprises Versus Private Enterprises in India. *IUP Journal of Corporate Governance*, *20*(4), 37-49.

Zhang, Q., Loh, L., & Wu, W. (2020). How do environmental, social and governance initiatives affect innovative performance for corporate sustainability?. *Sustainability*, *12*(8), 3380.

Zhou, D., & Zhou, R. (2021). ESG Performance and Stock Price Volatility in Public Health Crisis: Evidence from COVID-19 Pandemic. *International Journal of Environmental Research and Public Health*, *19*(1), 202.

Zumente, I., & Bistrova, J. (2021). ESG importance for long-term shareholder value creation: Literature vs. practice. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(2), 127.

Securities Depository Center: www.sdc.com.jo