

The Impact of ESG Scores on Jordanian Firm Financial Performance

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Abstract

This study investigates the relationship between Environmental, Social, and Governance (ESG) scores and the financial performance of Jordanian firms. As global emphasis on sustainability and responsible investing grows, understanding the financial implications of ESG practices has become crucial for businesses and investors alike. This research evaluates the ESG scores of Jordanian companies and analyzes their impact on key financial performance indicators such as profitability, return on assets (ROA), return on equity (ROE), and stock market performance. Using a comprehensive dataset and employing robust statistical methodologies, this study identifies significant correlations between ESG dimensions and financial outcomes. The findings reveal that higher ESG scores are associated with improved financial performance, suggesting that firms with strong sustainability practices can achieve superior financial results. This study provides valuable insights for Jordanian firms, policymakers, and investors, highlighting the importance of integrating ESG considerations into corporate strategies to enhance financial performance and long-term sustainability.

Keywords: ESG Scores, Financial Performance, Jordanian Firms, Environmental, Social and Governance, Corporate Sustainability

