

**Corporate Sustainability and Financial Performance of Companies Listed in the Nairobi
Securities Exchange, Kenya**

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ABSTRACT

The companies listed at the NSE face challenging times with reduced profit margins, like drop in equity, declining return on assets and return on equity and increased administrative costs. The adoption of sustainability practices with elements of social, economic, environment, technological, empowerment of all staff and strategic planning might change the poor financial performance trends. This study investigated on corporate sustainability practices and performance of firms whose shares are traded on the NSE. Study objectives covered; examining the effect of social, economic and environmental sustainability on financial performance of firms whose shares trade publicly on NSE. The study was anchored on agency theory, stakeholder theory and legitimacy theory. Descriptive research design was employed in the study and the target population was finance managers working in the 56 firms listed at the NSE and a census sampling was applied, such that the sample size was 56 respondents. Primary data was collected through a drop and pick later method. Descriptive statistical analysis was undertaken using mean, frequencies percentages and standard deviation. Inferential statistics were also conducted through ordinary least square model. The study established that social, economic and environmental sustainability had significant effect on performance outcomes. Corporate sustainability practices therefore had significant effect on financial performance. In recommendations, stakeholder engagement managers and the public relation managers should invest more resources in CSR activities to the community. ICT managers of the respective listed firms should carry out regular maintenance of the existing technologies to be utilized in cutting down costs of operation. Senior management team of the listed firms in Kenya should adopt solar technologies to safeguard the environment.

Key Words: Social Sustainability, Economic Sustainability, Environmental Sustainability, Financial Performance