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**DETERMINANTS OF CORPORATE SUSTAINABILITY DISCLOSURE  
AMONG LARGE FIRMS IN KENYA**

**NJOROGE, BRIAN KAMAU**



**SUBMITTED IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF COMMERCE AT STRATHMORE  
UNIVERSITY**

**STRATHMORE UNIVERSITY BUSINESS SCHOOL  
STRATHMORE UNIVERSITY  
NAIROBI, KENYA**

**JUNE 2019**

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## ACKNOWLEDGEMENT

The author will be forever grateful to: Carol Ger, Christine Gatakaa, Cynthia Kimilu, Joseph Mwakio and Phyllis Mucheru, my likeminded peers. The original research idea was as a result of our many intense study sessions. We debated on ways to encourage firms to engage in the practice of corporate sustainability. These debates formed a pivotal role in actualization of the idea which resulted in this study. Let's go forth and change the world.

Special gratitude to: Professor David Wang'ombe, for being a great steward and mentor in the field of sustainability accounting specialization. Your supervision of this study was invaluable.

The author would also like to thank: Dr. Bernard Baimwera, Dr. David Mathuva and Dr. Mumbi Maria Wachira, your moderation and insights proved instrumental in shaping this study.

The author is additionally grateful to Mr. Quindos Karanja; our course coordinator for your efforts in keeping the researcher in line with the strict time lines.

Finally, the author appreciations the information received from the various senior management officers in all the large firms assessed. It would not have been possible without you.

## ABSTRACT

The objective of the study is to assess the determinants of corporate sustainability disclosure among large firms in Kenya. Specific objectives are; to determine the level of corporate sustainability disclosure among large firms in Kenya, to determine the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya, to determine the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya, and to determine the effect of stakeholder attributes on corporate sustainability disclosure among large firms in Kenya. A descriptive research design was employed so as to accomplish the study objectives by finding out if the independent variables determine the level of corporate sustainability disclosure among large Kenyan firms. The study's target population comprised Kenyan firms listed by the Kenya Revenue Authority (KRA) in its large tax payers category. The KRA large taxpayers list is used as a basis for definition of large firms in Kenya. The study collected primary data to meet the research objectives. Primary data was collected using a questionnaire. Data analysis was carried out on the collected quantitative data using descriptive and inferential statistics. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression model was fitted to the data in order to test the effect of the independent variables on the dependent variable. Diagnostic tests were also considered to test the model for linearity, heteroscedasticity, multicollinearity, and normality. Strategic posture, firm attributes, and stakeholder attributes determine corporate sustainability disclosure among large firms in Kenyan. Results of the study revealed positive and significant effect of strategic posture, firm attributes, stakeholder attributes on corporate sustainability disclosure. This implies that there is need for large firms to improve on their levels of governance disclosure in comparison with environmental disclosure. Large firms ought to strategize measures geared towards strategic position, internal and organization culture should be geared on disclosing information which would aid minimizing cost of accessing required information. Thirdly, there is need for coherent communication amongst stakeholders to eliminate pressures which may jeopardize quality of information shared publicly.

**Key words: Sustainability disclosures, Firm Attributes, Stakeholders attributes, Strategic Posture**

**TABLE OF CONTENTS**

**DECLARATION**.....Error! Bookmark not defined.

**ACKNOWLEDGEMENT**..... **iii**

**ABSTRACT**..... **iv**

**TABLE OF CONTENTS** ..... **v**

**LIST OF TABLES** ..... **ix**

**LIST OF FIGURES** ..... **x**

**LIST OF ABBREVIATIONS** ..... **xi**

**DEFINITION OF TERMS**..... **xii**

**CHAPTER ONE** ..... **1**

**INTRODUCTION**..... **1**

1.1 Background of the Study ..... 1

    1.1.1 Corporate Sustainability Reporting ..... 2

    1.1.2 Corporate Sustainability Reporting in Kenya ..... 3

1.2 Problem Statement ..... 4

1.3 Research Objectives ..... 5

    1.3.1 Main Objective ..... 5

    1.3.2 Specific Objectives ..... 5

1.4 Research Questions ..... 5

1.5 Significance of the study ..... 6

1.6 Scope of the Study ..... 7

**CHAPTER TWO** ..... **8**

**LITERATURE REVIEW** ..... **8**

2.1 Introduction ..... 8

2.2 Concept of Corporate Sustainability Reporting ..... 8

    2.2.1 The Evolution of the Meaning and Measurement of Corporate Sustainability Reporting ..... 9

    2.2.2 Sustainability Disclosure Initiatives ..... 11

    2.2.3 Corporate Sustainability Reporting in Kenya ..... 13

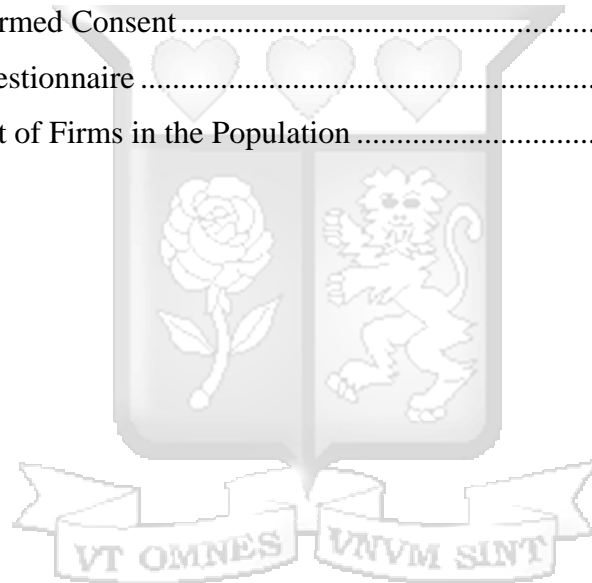
2.3 Theoretical Framework ..... 15

    2.3.1 Resources Based Theory ..... 15

2.3.2 Signaling Theory.....	17
2.3.3 Agency Theory.....	18
2.4 Determinants of Corporate Sustainability Disclosure.....	19
2.4.1 Strategic Posture .....	19
2.4.2 Firm Attributes.....	20
2.4.3 Stakeholder Attributes .....	21
2.5 Conceptual Framework.....	22
<b>CHAPTER THREE.....</b>	<b>23</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>23</b>
3.1 Introduction.....	23
3.2 Research Philosophy.....	23
3.3 Research Design.....	24
3.4 Population and Sampling .....	24
3.5 Sample Size and Sampling Technique.....	25
3.6 Data Collection Instrument .....	26
3.7 Validity and Reliability of Research Instrument .....	27
3.8 Data Analysis .....	27
3.8.1 Linearity.....	30
3.8.2 Heteroskedasticity.....	30
3.8.3 Multicollinearity Test.....	30
3.8.4 Normality Test.....	30
3.9 Ethical Considerations .....	31
<b>CHAPTER FOUR.....</b>	<b>32</b>
<b>FINDINGS AND DISCUSSION.....</b>	<b>32</b>
4.1 Introduction.....	32
4.2 Response Rate.....	32
4.2.1 Reliability Analysis.....	33
4.3 Level of Corporate Sustainability Disclosure among Large Firms in Kenya.....	34
4.3.1 Economic Indicators of Sustainability Disclosure among Large Firms in Kenya .....	34

4.3.2 Environmental Indicators of Sustainability Disclosure among Large Firms in Kenya .....	35
4.3.3 Social Indicators of Sustainability Disclosure among Large Firms in Kenya .....	36
4.3.4 Governance Indicators of Sustainability Disclosure among Large Firms in Kenya .....	37
4.4 Effect of Strategic Posture on Corporate Sustainability Disclosure among Large Firms in Kenya .....	39
4.5 Effect of Firm Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya .....	41
4.6 Effect of Stakeholders Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya .....	43
4.7 Correlation Analysis .....	46
4.8 Regression Analysis.....	47
4.8.1 Mean for Paired Sample T Test on Levels of Corporate Sustainability Disclosure .....	47
4.8.2 Test for Significant Difference on Paired Sample T Test on Levels of Corporate Sustainability Disclosure .....	48
4.8.3 Normality Test .....	49
4.8.4 Linearity Test.....	50
4.8.5 Homoscedasticity.....	51
4.8.6 Multicollinearity Test.....	51
4.9 Regression Model Summary.....	51
4.9.1 Analysis of Variance.....	52
4.9.2 Regression Coefficients .....	52
<b>CHAPTER FIVE .....</b>	<b>55</b>
<b>SUMMARY CONCLUSION AND RECOMMENDATIONS.....</b>	<b>55</b>
5.1 Introduction.....	55
5.2 Summary of Findings.....	55
5.2.1 Strategic Posture and Corporate Sustainability Disclosure Among Large Firms in Kenya.....	55

5.2.2 Firm Attributes and Corporate Sustainability Disclosure among Large Firms in Kenya .....	56
5.2.3 Stakeholders Attributes and Sustainability Disclosure among Large Scale Firms in Kenya.....	56
5.3 Conclusion .....	57
5.4 Recommendations of the Study .....	57
5.5 Suggestions for Further Study .....	58
<b>REFERENCES.....</b>	<b>60</b>
<b>APPENDICES .....</b>	<b>70</b>
Appendix I: Introduction Letter and Academic Reference.....	70
Appendix II: Informed Consent.....	72
Appendix III: Questionnaire.....	74
Appendix IV: List of Firms in the Population .....	80



## LIST OF TABLES

<b>Table 2.1</b> Three Components of Sustainability Reporting .....	9
<b>Table 3.1</b> Target Population .....	25
<b>Table 3.2</b> Sample Size .....	26
<b>Table 3.3</b> Operationalization of Variables .....	29
<b>Table 4.1</b> Response Rate .....	33
<b>Table 4.2</b> Reliability Analysis .....	33
<b>Table 4.3</b> Economic Indicators of Sustainability Disclosure among Large Firms in Kenya .....	35
<b>Table 4.4</b> Environmental Indicators of Sustainability Disclosure among Large Firms in Kenya .....	36
<b>Table 4.5</b> Social Indicators of Sustainability Disclosure among Large Firms in Kenya.....	37
<b>Table 4.6</b> Governance Indicators of Sustainability Disclosure among Large Firms in Kenya .....	38
<b>Table 4.7</b> Effect of Strategic Posture on Corporate Sustainability Disclosure among Large Firms in Kenya.....	40
<b>Table 4.8</b> Effect of Firm Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya .....	42
<b>Table 4.9</b> Effect of Stakeholders Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya.....	45
<b>Table 4.10</b> Correlation Analysis.....	47
<b>Table 4.11</b> Mean for Paired Sample T Test on Levels of Corporate Sustainability Disclosure....	48
<b>Table 4.12</b> Test for Significant Difference between Levels of Corporate Sustainability Disclosure Attributes .....	49
<b>Table 4.13</b> Normality Test .....	50
<b>Table 4.14</b> Homoscedasticity Test .....	51
<b>Table 4.15</b> Multicollinearity Test.....	51
<b>Table 4.16</b> Regression Model Summary .....	52
<b>Table 4.17</b> Analysis of Variance .....	52
<b>Table 4.18</b> Regression Coefficients .....	54

## LIST OF FIGURES

Figure 2.1 Overview of the GRI Sustainability Reporting Standards .....	13
Figure 2.2 The Conceptual Framework .....	22
Figure 4.1 Linearity Test.....	50



## LIST OF ABBREVIATIONS

<b>CER</b>	Corporate Environmental Reporting
<b>CMA</b>	Capital Markets Authority
<b>CSD</b>	Corporate Sustainability Disclosure
<b>EMCA</b>	Environmental Management and Co-ordination Act
<b>ESG</b>	Environmental, Social and Governance
<b>FIRE</b>	Financial Reporting Excellence
<b>GRI</b>	Global Reporting Initiative
<b>ICPAK</b>	Institute of Certified Public Accountants of Kenya
<b>IIRC</b>	International Integrated Reporting Council
<b>KRA</b>	Kenya Revenue Authority
<b>LTO</b>	Large Taxpayers Office
<b>MNCs</b>	Multi-National Corporations
<b>OCED</b>	Organization for Economic Co-operation and Development
<b>PSASB</b>	Public Sector Accounting Standards Board
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SDD</b>	Sustainability Disclosure Database
<b>SRTs</b>	Sustainability Reporting Tools
<b>SSEI</b>	Sustainable Stock Exchange Initiative
<b>STWR</b>	Share the World's Resources
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WCED</b>	World Commission on Environment and Development
<b>WSSD</b>	World Summit on Sustainable Development

## DEFINITION OF TERMS

**Corporate Power:** refers the level of resources that a firm controls, and how it uses them to influence the society around it so as to make returns (Savitz, 2013).

**Corporate Sustainability Disclosure:** refers to a firm's practice of providing information to the public on its environmental, social and economic effects and consequently its positive and negative contributions towards the objective of sustainable development (Kuzey & Uyar, 2017).

**Firm Attributes:** These are firm specific characteristics which can distinguish one firm with another (Azlan & Roszaini, 2011).

**Stakeholders Attributes:** These are internal and external parties whose interest ought to be incorporated in organization planning. They can be directly or indirectly involved to optimize mutual benefits within an organization (Benson & Davidson, 2010)

**Strategic Posture:** This is an organizations' readiness to respond to internal and external pressures and remain competitive as compared to their competitors (Huang & Watson, 2015).

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The role of businesses in the society has been changing over time (Sachs & Ki-Moon, 2015). Milton Friedman's prominent statement that the sole concern of a business is to make economic gains has overtime been interchanged with Edward Freeman's argument that firms have environmental and social responsibilities as well (Lozano, Carpenter & Huisingh, 2015). Firms are thus seen as social enterprises whose existence is justified in as far as they serve the interests of all stakeholders in their public and social domains (Lozano et al., 2015).

A firms' large scope of economic, environmental and social responsibilities is linked to the "*corporate power*" they possess over the society around them (George, 2015a). This "*corporate power*" is attributed to the level of resources that the firm controls, and how it uses them to make returns (George, 2015a). Overtime, as the firm grows, it amasses more resources and in turn makes more returns (George, 2015a). However, what the scope, purpose and responsibility of the firm should be, given its level of resources, continues to be brought under heavy scrutiny (Dyllick & Muff, 2016).

In consideration for instance, there are firms that have grown large enough to make revenues that are greater than the GDPs of the countries they operate in (George, 2015b). Such firms have become more powerful than individual countries resulting to them being referred to as "*corporate nations*" (Khanna, 2016) or Multi-National Corporations (hereafter MNCs) (Geppert & Dörrenbächer, 2011). Moreover, they have influenced the rise in global corporate power which was greatly witnessed between the years 2000-2015 (Khanna, 2016). With this "*corporate power*" comes an equally greater corporate responsibility on firms to report on their impacts in totality; both positive and negative (George, 2015a).

The totality of the reports should thus be based on the triple bottom line approach capturing economic, environmental and social aspects (Azlan & Roszaini, 2011).

Traditional financial reporting is limited in addressing this triple bottom line (Milne & Gray, 2013). This is because its level of disclosure only focuses on the economic aspect, leaving out the social and environmental aspects (Raar, 2013). Corporate sustainability reporting thus emerged to bridge this gap by providing a distinct framework for firms to report on all their economic, environmental and social impacts (Hughen *et al.*, 2014).

### **1.1.1 Corporate Sustainability Reporting**

Corporate Sustainability Reporting is the practice where firm managers provide information about the impact of their firms' activities on the three spheres of the economy, environment and society (Kuzey & Uyar, 2017). It leads to fundamental transformation of the firms' structures, operations, relationships, corporate culture and identity (Epstein *et al.*, 2014). Prior research has demonstrated that firms which regularly report on sustainability derive intrinsic payoffs, some of which include; cost savings, increased revenues, increased customer satisfaction, increased employee satisfaction, improved market share, product and process innovation, risk reduction and competitive advantage among others (Diouf & Boiral, 2017).

There are various terms associated with corporate sustainability. Such terms include and are not limited to; corporate social responsibility, corporate citizenship, corporate environmental responsibility, environmental, social and governance disclosures. These terms are wide-ranging and lack some agreed upon standardization in both research and practice. They draw your attention to reports that have aspects of sustainability disclosures but their content scope is limited in giving a clear picture on the triple bottom line as required in a corporate sustainability report. Furthermore, the totality of the level of disclosure further diversifies in the contents of the reports (Chen & Bouvain, 2009). Some firms present a stand-alone sustainability report, while others present it as a section in their annual report (Azlan & Roszaini, 2011). There are also instances where a firm would focus on at least one of the three aspects of corporate sustainability reporting as noted earlier on (Kuzey & Uyar, 2017).

This rising trend is being witnessed in both developed and developing countries (Ali *et al.*, 2017; Li *et al.*, 2011; Ortas *et al.*, 2015). Governments and regulators in these

countries will require understanding these factors in order to set up and manage regulatory structures that ensure firms provide the required information needs to their stakeholders. On the other hand, firm managers will be required to understand these factors so as to know which of their firms' corporate characteristics to improve on and ultimately deliver a reliable quantity of sustainability information to their stakeholders.

### **1.1.2 Corporate Sustainability Reporting in Kenya**

Corporate sustainability reporting in Kenya has emerged as an outcome of corporate responsibility particularly as part of environmental and social concerns, giving firms an opportunity to show transparency to their stakeholders. Kenya is among the countries in Sub Saharan Africa practicing corporate sustainability reporting (Wachira & Berndt, 2016). Notably, the Nairobi Securities Exchange (NSE) in Kenya is an active member of the Sustainable Stock Exchange Initiative (SSEI, 2018a). This is an initiative organized by UNCTAD, UNGC and UNEP in a bid to inspire securities markets to embrace sustainability reporting (SSEI, 2018b). As such, firms listed on the stock market have been proved to disclose more sustainability information than those not listed (Fernandez-Feijoo *et al.*, 2014). A number of large Kenyan firms such as Safaricom, SGS Kenya and KCB have gone a step further in providing stand-alone sustainability reports using the GRI guidelines and are availing these reports on the Sustainability Disclosure Database (SDD-GRI, 2018)

However, Kenya has received little attention in studies on determinants of disclosure in the divergent forms of Corporate Responsibility Reporting in general (Wachira, 2017). Most of these studies have limited their focus on determinants of disclosure in environmental reporting (Abdillahi & Manini, 2017), voluntary reporting (Barako, 2007) and corporate social responsibility (Wachira, 2017). This is mainly because sustainability reporting in Kenya is still largely voluntary. Considering the rising trend of uptake in the practice by Kenyan firms, regulation is most certainly on the way.

It is evident therefore that different studies highlight conflict in the level of disclosure in corporate sustainability reports (Hahn and Kühnen, 2013), in the determinants to its occurrence ( Kuzey & Uyar, 2017), and more so in a developing country (Azlan &

Roszaini, 2011). A large part could be based on what sort of disclosures companies are likely to focus on in different institutional contexts. This study therefore aims at studying determinants that lead to the level of corporate sustainability disclosure exhibited by large Kenyan firms.

## **1.2 Problem Statement**

Business corporations are geared towards profit and wealth maximization principle. These goals are achievable through balanced approach on internal and external needs. Internally, corporations ought to optimize resources allocations. Externally, they should optimize dissemination of information to external shareholders. To external parties they are not mandated to report (Goswami & Lodhia, 2014). This is achievable through corporate sustainability disclosure. Failure to regularize extent of disclosure has created unequal levels of it (Michelon, 2011).

These sustainability disclosure initiatives give guidelines on how firms can capture each aspect of sustainability; Environmental, Economic, Social and Governance. Previous studies have found that sustainability disclosure levels vary with the information type (Michelon, 2011; Sanchez-Hernandez et al., 2019). In particular the study by (Sanchez-Hernandez et al., 2019) found variations in firms' efforts devoted to the level disclosure of each aspect of sustainability. In the flurry of these multiple overlapping global initiatives, one thing remains clear. Firms need to subscribe to initiatives that match to their corporate needs (Siew, 2015). There is also need for governments and market regulators to provide a localized regulatory landscape that ensures optimal CSD that suits the needs of all firms' stakeholders in the country of operation (Goswami & Lodhia, 2014)

According to Nielsen and Thomsen (2017) the lack of an established framework and only guidelines, for how to communicate consistently about social activities, renders many organizations somewhat unprepared for the task. Studies on Corporate Sustainability Disclosure specifically are scarce (Lu & Taylor, 2016). Most have focused on distinct forms of disclosure in Environmental Reporting and Voluntary Reporting (Rouf, 2011; Barako, 2007), while others on ESG disclosures (Mathuva, Barako & Wachira, 2017).

Furthermore, previous studies indicate that Kenyan firms with a significant adoption of various forms of corporate responsibility reporting practice have not fully implemented the standards they choose (Abdillahi & Manini, 2017; Barako, 2007). The future only seems to present more reporting regulation for sustainability reporting with voluntary frameworks shifting to mandatory regulations. This substantiates the need to understand the extent to which Sustainability Disclosure is done in Kenya and what determines it.

### **1.3 Research Objectives**

#### **1.3.1 Main Objective**

The main objective of this study was to establish the determinants of corporate sustainability disclosure among large firms in Kenya.

#### **1.3.2 Specific Objectives**

The following objectives were examined in the study:

1. To determine the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya.
2. To examine the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya.
3. To establish the effect of stakeholder attributes on corporate sustainability disclosure among large firms in Kenya.

### **1.4 Research Questions**

The study sought to answer the following research questions:

1. What is the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya?
2. What is the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya?
3. What is the effect of stakeholder attributes on corporate sustainability disclosure among large firms in Kenya?

### **1.5 Significance of the study**

This study determined the level of disclosure in corporate sustainability reporting among large firms in Kenya, therefore it may enable firm managers to know which corporate characteristics to take advantage of and improve on, in the disclosure of pertinent information provided in their reports.

Stakeholders may use the findings of this study to understand the factors that determine a firm's level of disclosure in sustainability reporting. Consequently, stakeholders may be in a position to generate meaningful feedback to firms anchored on a firm's corporate characteristics. Information from this study may be resourceful to investors who may want to know how to factor the extent of sustainability disclosures into their decision making.

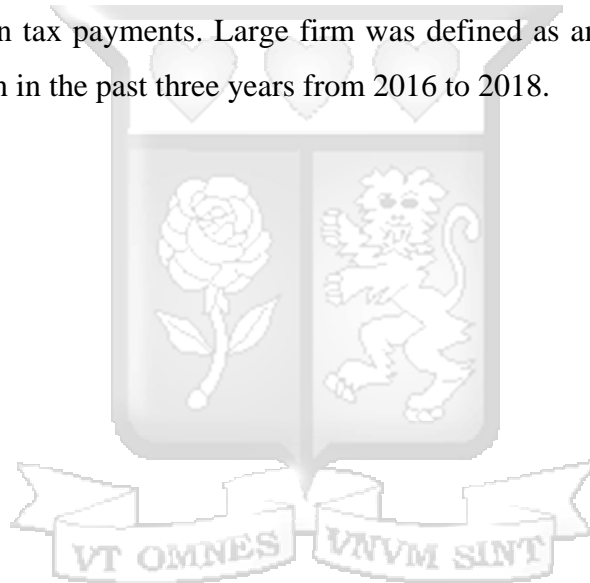
This study will also aid governments and their agencies, regulatory and professional bodies. They may be able to monitor patterns and trends in the level of disclosure as well as understanding what it takes for a firm to produce a sustainability report. This may guide the formulation of regulations that provide incentives to such firms.

Studies on the determinants of corporate sustainability disclosure are scarce. Moreover, there is limited literature focusing on the most significant determinants of corporate sustainability disclosure in developing countries. The findings of this study may therefore broaden the base of existing literature specifically studying determinants of Corporate Sustainability Disclosure. This study may also be resourceful in providing a multi-theoretical perspective, by connecting the most significant determinants of corporate sustainability disclosure to the case of a developing country such as Kenya.

## 1.6 Scope of the Study

The study focused on establishing the determinants of corporate sustainability disclosure among large firms in Kenya. Specifically, the study determined the effect of strategic posture, firm attributes, and stakeholder attributes on corporate sustainability disclosure.

The study's target population comprised Kenyan firms listed by the Kenya Revenue Authority (KRA) under its Large Taxpayers Office (LTO) category. The KRA large taxpayers list was used as a basis for definition of large firms in Kenya. As at January 2019, there were 662 large taxpayer firms as per the list of KRA-LTO (KRA, 2019). Although, taxation is dependent on firm's profitability, these were selected due to their persistent trend on tax payments. Large firm was defined as any corporation which had remitted tax return in the past three years from 2016 to 2018.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents a review of literature on the study. Section 2.2 explains the concept of corporate sustainability reporting. Section 2.3 discusses the theoretical framework. Section 2.4 gives an empirical framework on the determinants of corporate sustainability disclosure, and the final part of the chapter; section 2.5 presents the conceptual framework of the study variables.

#### **2.2 Concept of Corporate Sustainability Reporting**

The Brundtland Commission, WCED(1987) brought into perspective an ambitious objective of sustainable development defining it as, ‘development which meets the needs of the present without compromising the ability of future generations to meet their own’(Sachs & Ki-moon, 2015). Corporate contribution has been proved to be vital to the achievement of this objective (Kolk, 2015). From their business undertakings, firms can make both positive and negative contributions towards the objective of sustainable development (GRI, 2018b; Sachs & Ki-moon, 2015).

Corporate sustainability reporting is thus a firm’s practice of providing information to the public on its environmental, social and economic effects and consequently its positive and negative contributions towards the objective of sustainable development (Sen & Das, 2013). It involves a process of the firm managers identifying and balancing the needs of the firms direct and indirect stakeholders (Chiu & Wang, 2015). Firms’ corporate sustainability initiatives may encompass a variety of terms such as; corporate citizenship, corporate social responsibility, corporate responsibility, environmental and social responsibility, integrated reporting, environmental social and governance reports, among others that revolve around their environmental social and economic impacts (Sen & Das, 2013).

**Table 2.1 Three Components of Sustainability Reporting**

<b>Component</b>	<b>Description</b>
Environmental Reporting	Impacts of processes, products and services on air, water, land, biodiversity and human health
Social Reporting	Workplace health and safety, employee retention, labour rights, human rights, wages and working conditions at outsources operation
Economic Reporting	Payroll expense, job creation, labour productivity, expenditures on outsourcing, R & D, investments in training and other forms of human capital

Source: Janggu et al. (2014)

### **2.2.1 The Evolution of the Meaning and Measurement of Corporate Sustainability Reporting**

Minor traces of sustainability reporting date back as far as the 1940s (Buhr, 2007). Studies at the time focused on other metrics other than the standard profit/loss computation. These metrics included wages, human relations, health, education, public and community relations, among others (Minguel, 2017). They were used to assess a firm's performance on aspects dissimilar to profitability assessments. Information was mainly intended for internal purposes only and for the managers to ensure their businesses remained competitive. This overtime evolved to general corporate responsibility reporting greatly witnessed in the 1970s which mainly comprised social responsibility reports.

However, disputes emerged on whether such corporate responsibility reports would be for internal or external use. A large number of companies maintained these reports as tools for internal use. External parties increased the pressure for firms to issue these responsibility reports by developing their own social auditing measures (Minguel, 2017). By the 1980s and 1990s, firms were compelled to start using them for external purposes as the practice of sustainability reporting was being born (Buhr, 2007). Also, governments and market regulators influence the formulation of the practice as they got involved due to the occurrences of crises and emerging issues in the markets present in their countries.

One thing remains clear; that overtime, the general interest in redefining corporate responsibility was occasioned by mounting stakeholder pressure for firms to become transparent in their activities by reducing their harmful impacts (Schaltegger et al., 2012). This stakeholder pressure was to some extent triggered by the problems associated with emerging issues such as global warming which has been widely discussed at all levels of society (Bradford *et al.*, 2017). A general increase of awareness around this issue has influenced people and governments to become more and more inquisitive of the products and services they consume. Likewise, the communities in which firms operate are increasingly demanding companies to take responsibility for their environmental and social impacts (Hughen *et al.*, 2014).

The need to address these stakeholder concerns led to the development of corporate sustainability reporting which portrays the firm's responsibility based on the triple bottom line approach; economic, environmental and social aspects (Azlan & Roszaini, 2011). Traditional financial reporting is limited in addressing the triple bottom line (Raar, 2013). This is because it only focuses on the economic aspect, leaving out the social and environmental aspects (Raar, 2013). Corporate sustainability reporting thus emerged to bridge this gap targeting both the internal and external stakeholders of the firm (Hughen *et al.*, 2014).

Since its emergence in the 1990s, corporate sustainability reporting has gained relevance in both academia and business (Sen & Das, 2013). In academia, a number of researchers have devoted considerable attention to corporate sustainability reporting by; tracing its historical development, determining the goals and benefits motivating firms that have taken up the practice (Herzig & Schaltegger, 2011), other researchers have raised debates, conducting a critical appraisal on whether corporate sustainability reporting is actually contributing to sustainable development (Hummel & Schlick, 2016). This reflects the need to draw managers into debates and actions about their firms' corporate sustainability (Schaltegger & Burritt, 2006).

Despite the debates however, there is a greater consensus that corporate sustainability reporting has gained prominence among the business community (Deegan & Islam,

2012). Corporate sustainability reporting has provided businesses with a way of measuring, managing and disclosing the impact of their activities on their internal and external environment (Chiu & Wang, 2015). The approaches used by individual firms to provide sustainability information may vary but are based on the triple bottom line (Environment, Economy and Society) or through the 3ps (People, Planet and Profits) (Bradford et al., 2017; Sen & Das, 2013). This information is provided by means of the corporate sustainability reports which includes non-financial information and also in most cases is voluntary (Hahn & Lülfs, 2014).

Corporate sustainability reports are supposed to provide a complete and balanced picture of corporate sustainability performance of a firm (Hahn & Lülfs, 2014). However, their voluntary nature makes them prone to misinterpretation and even greenwashing tendencies (Diouf & Boiral, 2017). To overcome this problem, the Global Reporting Initiative (GRI) provides standardized reporting guidelines challenging companies to report positive and negative aspects of an organization's sustainability performance (GRI, 2018a, 2018b; SDD-GRI, 2018).

### **2.2.2 Sustainability Disclosure Initiatives**

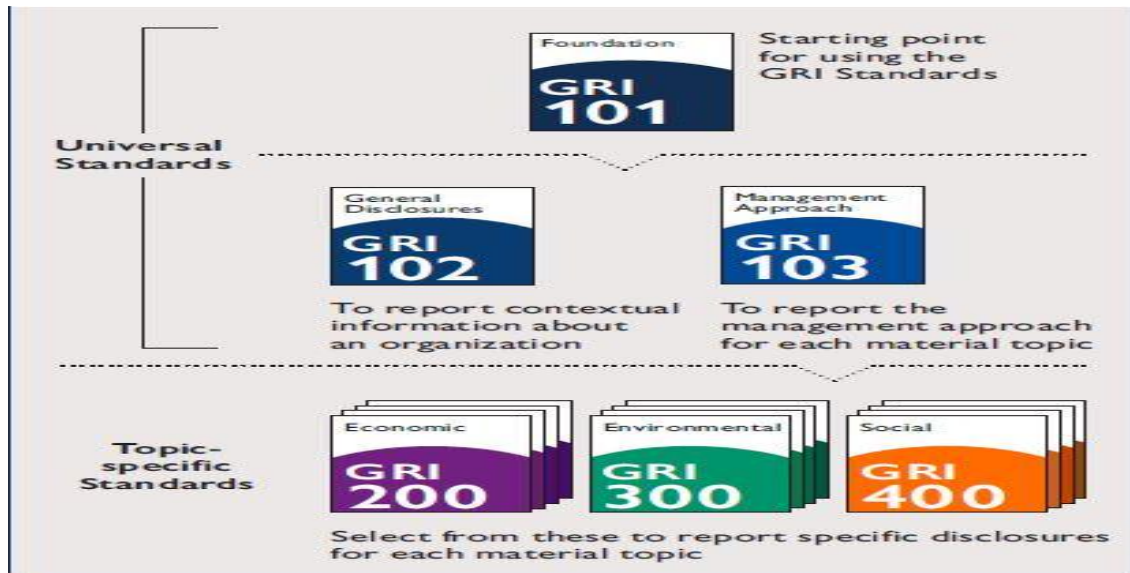
Given the absence of mandatory disclosure regulations, firms may subscribe to various prevailing initiatives that are based on global contemporary philosophies of sustainability (Goswami & Lodhia, 2014). Such initiatives include but are not limited to the European Directive on Non-Financial Disclosure, the AA1000 standards issued by the American Sustainability Standards Board (SASB), the Carbon Disclosure Project, the Communication on Progress (COP) by the United Nations Global Compact (UNGC), the GRI standards issued by the Global Reporting Initiative, the Integrated Reporting framework issued by the International Integrated Reporting Council (IIRC) among others (Ehnert et al., 2016; Molla et al., 2019; Siew, 2015; Truant et al., 2017)

Regardless of the initiative a firm chooses to utilize, its sustainability disclosure should embody the totality of the firm's particular impacts on the economy, environment, and society (Siew, 2015). This information can then be communicated through stand-alone sustainability reports or as part of the annual reports which are featured in company

publications such as journals and magazines (Siew, 2015). Another area firms can improve on is communicating their sustainability disclosures on their websites and social media channels (Amran et al., 2018)

Among all the initiatives, GRI has been found to be successful in terms of output effectiveness by promoting the dissemination of sustainability disclosures among the corporate world (Barkemeyer et al., 2015; Mendes et al., 2019). This is because it provides disclosures that incorporate the three aspects of sustainability. Findings by Kuzey & Uyar, (2017) reveal a growing awareness of GRI framework as well as an improving trend in the quality of reporting. As at April 2018, the database had over 47,428 reports from over 12,281 firms globally (SDD-GRI, 2018). These firms have been proven to make improved disclosures due to their investor orientation (Kuzey & Uyar, 2017), the quality of the reports they avail on the online SDD (Kuzey & Uyar, 2017), and also because their stakeholders expect them to make non-financial disclosures (Fernandez-Feijoo *et al.*, 2014).

The Global Reporting Initiative is an independent nonprofit organization founded in 1997. It comprises a large multi-stakeholder network of experts who include; private sector stakeholders, public sector stakeholders, global entities, environmental and social advocacy groups among other stakeholders (GRI, 2018a). Their collaborative efforts are focused on the goal; to establish an international framework for sustainability reporting for firms to communicate on their positive and negative, environmental, social and economic impacts (Fonseca, 2010). However, previous studies provide limited proof that disclosures by firms that subscribe to GRI have high levels of disclosure (Michelon et al., 2015)



**Figure 2.1 Overview of the GRI Sustainability Reporting Standards**

Source: GRI (2018b)

Moreover, in accordance with clause 3.4 of the GRI 101 Foundation Standards, firms are required to notify GRI of the use of the standards (GRI, 2018b). Such firms are also obligated to register and upload their sustainability reports on the online GRI Sustainability Disclosure Database (SDD-GRI, 2018). The database is owned and maintained by GRI and provides access to an abundance of Corporate Sustainability information voluntarily reported by companies for comparison (SDD-GRI, 2018). This helps GRI to review and improve the standards (GRI, 2018b).

### **2.2.3 Corporate Sustainability Reporting in Kenya**

Corporate sustainability reporting in Kenya has emerged as an outcome of various forms of corporate responsibility reporting such as; Corporate Environmental Reporting, Corporate Social Responsibility reporting, Sustainability Reporting. These reports could be found as a stand-alone report or a report embedded together with the annual financial statements. Information provided by firms in these reports showcase initiatives by the Kenyan firms in environmental, social and economic concerns in attempts to improve transparency to their stakeholders.

Similar to most developing countries, corporate sustainability reporting practice in Kenya is generally voluntary. Unlike financial reporting, there is no reporting standard in Kenya obligating firms to report on sustainability. Mandatory reporting exists only in CER and nonetheless only applicable to Kenyan firms whose activities have an effect on the environment. The Environmental Management and Co-ordination Act No.8 of 1999, (Amended in 2015) Law of Kenya (EMCA-NEMA, 2018); requires such firms to submit a self-audit Environmental Impact Assessment (EIA) report to the National Environmental Management Authority (NEMA).

However, there have been various efforts by regulatory bodies to encourage voluntary sustainability reporting in Kenya. The Financial Reporting Excellence (FiRe) award, a joint initiative of; the Capital Markets Authority (CMA) Kenya, the Nairobi Securities Exchange (NSE) Kenya, the Institute of Certified Public Accountants of Kenya (ICPAK) and most recently the Public Sector Accounting Standards Board (PSASB) Kenya. The FiRe award promotes corporate sustainability reporting in its criteria for evaluation of participating private and public entities (FIRE, 2018).

Moreover, the Nairobi Securities Exchange (NSE) Kenya is an active member of the sustainable stock exchanges initiative launched by UNCTAD, which is meant to encourage stock exchanges to support the corporate sustainability reporting practice (Wachira & Berndt, 2016). In addition, the NSE plans to develop a corporate governance social and sustainability index in Kenya as seen in South Africa and Mauritius (CMMPK, 2018). This would be carried out through a consultation with the Capital Markets Authority of Kenya (CMA) and market participants (CMMPK, 2018). The key sustainability reporting frameworks and guidelines being used by firms in Kenya include; the GRI, the Communication on Progress (CoP) by UN Global Compact, and the Integrated Reporting (IR) Framework among others.

Despite the efforts for standardization (Wachira et al., 2016), the disclosure of information in corporate sustainability reporting, remains problematic due to observed inconsistencies that limit the quantity, quality and credibility of information (Hahn and Kühnen, 2013). Sustainability reports are often interpreted in literature as marketing

instruments, tools for social legitimation (Duchon & Drake, 2009; Cho & Patten, 2007) or impression management strategies (Diouf & Boiral, 2017) rather than as a source of reliable information to stakeholders. Notwithstanding these criticisms, the determinants of the level of disclosure in Corporate Sustainability Reporting and more specifically by firms using the GRI framework to report, remain understudied (Diouf & Boiral, 2017).

## **2.3 Theoretical Framework**

A multi-theoretical approach will be adopted to anchor this study. This is because; existing research work has proposed several theories of disclosure but their application in corporate sustainability reporting is not sufficient (Hahn & Kühnen, 2013). The study will be based on resources based theory, signaling theory and agency theory.

The application of one theory, own its own, is inadequate in explaining the determinants of disclosure on the three fundamentals of corporate sustainability; Environment, Economy and Society (Hahn & Kühnen, 2013). However, each theory has a particular perspective that can contribute to one or more determinants of corporate sustainability disclosure (Hahn & Kühnen, 2013). This study builds upon the perspectives of resource based, signaling and agency theories to collectively anchor the determinants of corporate sustainability disclosure.

### **2.3.1 Resources Based Theory**

This theory was brought forth by (Penrose, 1959). It proposes that organization competitiveness is achieved through optimal allocation of resources. It assumes that internal resources generation within an organization has potential for creating competitive advantage only if it can control its allocation. Secondly, it's assumed that organization resources uniqueness will be retained by specific organization for a given period of time before they are adulterated (Peteraf & Barnery, 2003). It is in such moment organization will be strategically positioned and reap benefits associated with specific resource empowerment.

According to Torrington, Hall and Taylor (2005) there is need for corporate organization, this will be achieved through evaluation of measures adopted by an individual institution to achieve their strategic needs. Traditionally, corporations were known to be skewed towards externally based strategies which would ultimately benefit themselves through increased sales customers and competition mitigation strategies. This has been altered by desire for sustainability disclosure since corporations are skewed towards minimization of information asymmetry levels. This will be in line with Peteraf and Barnery (2003) who argued that heterogeneity of organization resources endowment has capacity to allow venturing into non-tradition business needs and areas. Since these resources are financial and non-financial. Non-financial resources have capacity to aid in organization positioning as platform for information cost minimization.

It is applicable because organization capacity ought to understand its internally available resources would aid in adoption of sustainable disclosure. This will be based on organization understanding on benefits to be accrued depending on extent to which they disclosure information on economic, social, environmental and governance. Owing to challenges associated with excessive information disclosure and access, corporations ought to be aggressive, risk taking and be guided by desire to enhance on quality of service accorded to their customers.

### **2.3.2 Stakeholder Theory**

As presented by Edward Freeman in 1984, the stakeholder theory contends that a firm is part of the social system (Deegan & Unerman, 2006); where its existence is hinged on how it manages its relationships with several interest groups and not just its shareholders (Hörisch et al., 2014). The theory has been used to explain why a firm may voluntarily choose to provide sustainability information to meet stakeholder concerns (Deegan & Unerman, 2006). The stakeholder groups are diverse with varied views on the firm activities (Deegan & Unerman, 2006).

For instance, a firm accounting information is sometimes used by powerful stakeholder such as the government to redistribute the resources amassed by the entity. This redistribution may be through regulation such as new taxes, price controls, lobbying

among others. Such actions may lead to significant economic costs towards the firm. Firms thus aim to manage such relationships by voluntarily disclosing sustainability information so as to reduce the associated costs (taxes, fees and fines) and derive certain incentives such as subsidies and grants (Frias- Aceituno *et al.*, 2012).

Considerable researcher work has applied this theory in determining disclosure (Chiu & Wang, 2015; Diouf & Boiral, 2017). Chiu and Wang, (2015) applied the stakeholder theory framework and demonstrated that measures of stakeholder power, strategic posture, economic resources, firm size and media visibility are related to social reporting disclosure. Also, Nakabiito and Udechukwu (2008) established that a general attitude towards sustainability reporting and the willingness of a firm to reach more than one stakeholder group are the most significant factors influencing the level of disclosure.

The theory is thus relevant for this study since it informs the variable of stakeholder attributes. So as to build a positive perception among powerful stakeholders, the firm finds itself in a position where it has to negotiate various “social contracts”. These social contracts will involve different stakeholder groups rather than just one “social contract” with the general public (Deegan & Unerman, 2006). The different stakeholder relationships are identified and managed by the firm managers with regard to their power over the firms activities (Pucci *et al.*, 2018). A stakeholder with greater influence than the other stakeholders is considered more important by the firm. The firm thus proceeds with directing greater efforts towards serving the needs of that specific stakeholder group (Hörisch *et al.*, 2014; Pucci *et al.*, 2018). Sustainability information thus becomes a critical component employed by the firm in managing these stakeholder relationships (Hörisch *et al.*, 2014). The idea is to achieve an optimal balance of all stakeholders’ concerns and in turn create value at both firm and stakeholder levels (Pucci *et al.*, 2018).

### **2.3.3 Signaling Theory**

It was advocated for by (Spence, 1973). The theory argues that institutions have to register positive performance and report it to signal sustainable trend in future. Also, signaling theory has been linked with voluntary disclosure and sustainability reporting (Hummel & Schlick, 2016). Corporations have reported significant causality of

sustainability disclosure and degree of information asymmetry. Information content availability have significant contribution on value attached to counters by investors. According to Chiu and Wang (2015) management ought to deploy sustainability disclosure as tool for mitigation against information access cost.

This theory is relevant since there is need for firms to disclosure information on its organization practices and internal measures adopted towards sustainability disclosure. These practices would form culture which would aid in achievement of desired standards on sustainability disclosure and enhance in control of environment hazards and creation of harmonious working environment.

#### **2.3.4 Agency Theory**

This was advocated for by (Jensen & Meckling, 1976). The theory supports existence of principal agent relationship, whereby stakeholders of any corporation appoint management as agents for the day to day organization operations. There are possibilities of emergence of conflicts between management and stakeholders since each may be guided by heterogeneous interests. Even though, wealth and profit maximization goals should be pivotal amongst all players there are possibilities of diversity of interests.

Emergence of diverging views in an organization may trigger escalation of monitoring and agency costs. Organization management may be motivated by retention of their employment which is mostly pegged on performance hence engagement in sustainability activities may erode performance rating and amplify conflicts amongst all parties. In keeping with the agency theory, Frias-Aceituno et al., (2014) demonstrate that sustainability disclosures may be adopted as management quality evaluation tool. Management have discretion in the level of disclosure they make in reporting and may try use this information to satisfy their shareholders concerns and also show that they are acting optimal.

It is applicable for the study because alternative stakeholders have differing needs on quality of sustainability disclosure adopted by corporations this would minimize resources deployed to respond to external pressure emanating from them. Owing to

heterogeneity of these stakeholder's management should exhaust all means available to disseminate requisite information for every group.

## **2.4 Determinants of Corporate Sustainability Disclosure**

### **2.4.1 Strategic Posture**

Strategic posture is all about organization preparedness to engage heterogeneous stakeholders on its involvement in its corporate responsibilities. This creates mutual understanding and enhances organization participation in activities geared towards promoting environmental and social protection. Active strategic posture would sustain aggressiveness on firm operations and would ensure adherence to quality service delivery since corporation would better understand market needs. Goldman (2015) conducted a study on integration of sustainability into companies' strategy and operations and positive significant causality of sustainability integration and level of recognition by their stakeholders which was absent in non-disclosing firms.

Strategic posture demand for creative measures to manage organization desire for superior performance without eroding customers' expectations in line with quality of goods and services accorded to them (Nyariki, 2016). Corporations have to be innovation on their operations since there operate in turbulent business environment whose sustainable performance will be anchored on aggressive and proactive strategies adopted (Agwi, 2018). Comprehensive blend of aggressiveness and quality of service would enhance command of market share.

All firms, especially large ones have been considered to be social enterprises. This means that they have a responsibility serve the interests of all stakeholders in their public and social domains (Lozano et al., 2015). In order to manage this corporate responsibility, firms are obliged to adopt a given strategic posture. Strategic posture is created by corporations so as to synchronize anticipated corporate social reflections with organization vision and mission. Indeed, this eventually signifies organization participation in social responsibilities despite of it being guided by the wealth

maximization principle. According to Huang and Watson (2015) there are likelihoods of minimizing negative environmental and social risks courtesy of strategic posture.

Active management of social needs information will minimize conflict among corporation stakeholders (Magness, 2006). This will be achieved through corporate motivation to respond to social needs in a coherent, transparent and accountable manner. Successful corporate sustainability participation is enshrined on a coherent relationship between management and organization stakeholders. The management may create passive or active strategic posture. An active strategic posture ensures continued response and disclosure on community needs. A corporation's active participation on social needs will create a positive enterprise image. According to Chui and Wang (2014) an active strategic posture has a positive and significant effect on sustainability disclosure. This is anchored on the organization's capacity to accommodate sustainability in its organization structure and culture.

#### **2.4.2 Firm Attributes**

Firm attributes are features that differentiate one organization from another. Some of the features include their organization practices and internal organization process. Organization practices determine culture adopted by corporation on management and distribution of shares. Shareholders distribution determines ownership structure of a firm. According to Rouf (2011) it had significant contribution on disclosure. This was cemented by Bradford et al., (2017) who argued that the increased share ownership has positively causality on voluntary disclosure. Saha and Akter (2013) argued that corporation with local, institutional and foreign investors have higher likelihood of sustainability disclosure as compared to corporations which are owned by local investors alone.

Internal organization process of a corporation is dependent on firm age, industry of operations, stakeholder power (Azlan & Roszaini, 2011). According to Chen and Bouvain (2009) there is causality between size, age, ownership structure and degree of sustainability disclosure within an organization. There is no conclusiveness on

contribution of firm attributes on sustainability disclosure since some scholars have argued that there are operational inconsistencies and business environment variation which may limit degree of information asymmetry.

Organization practices on corporate visibility have contribution on sustainability reporting. According to Hahn and Kuhnen (2013) argued that some industry demand amplified information disclosure through alternative platforms to eliminate possibilities of eroding benefits associated with information access cost elimination. There is need to exercise caution to evaluate quality of information disseminated since it may act as defense mechanism against negative publicity.

Zhao (2011) argued that there are heterogenous stakeholders who have interest with extent of sustainability disclosure in a firm. This differs as per areas of operations and degree of regulation. Dimaggio and Powell (2013) posited that sustainability reporting is integrated within internal and external business practices. Consequently, it is internationally acceptable that service providers, financiers and those seeking services in a corporation expects to be availed with requisite information to aid in decision making voluntarily.

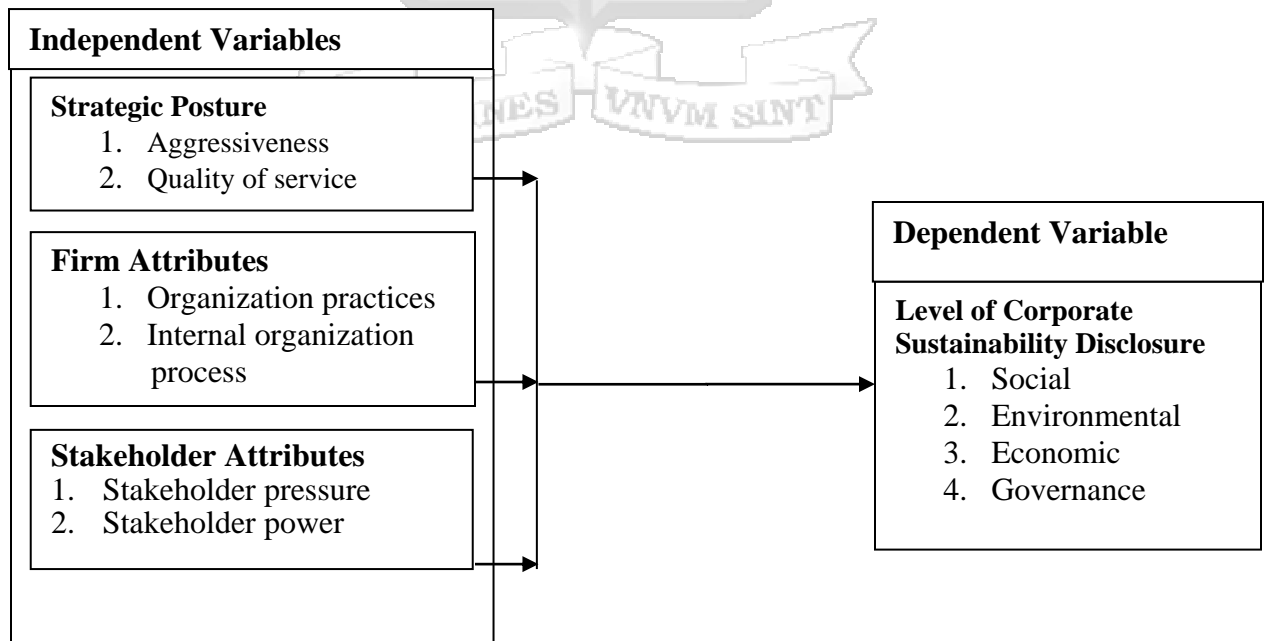
#### **2.4.3 Stakeholder Attributes**

Organization business sustainability and survival is dependent on its capacity to effectively integrate its resources in activities which would maximize shareholder wealth or enhance its coexistent with other stakeholders (Benson & Davidson, 2010). These teams are expected to ease in achievement of organization goals through supply of resources or relevant information to be deployed in decision making (Deegan & Blomquist, 2006). Input and output evaluation techniques have revealed corporation financial and non-financial gains is dependent on its capacity to integrate its corporate resources to stakeholders needs even in situations on non-monetary gains. These stakeholders can be grouped into 11 categories; shareholders, managers, customers, employees, suppliers, special interest groups, environmentalists, media, consumer advocates, governments and local communities (Wangombe, 2015).

Sener et al., (2016) reported that sustainability disclosure in Turkey was highly dependent on stakeholders' pressure. They also added that the importance of a stakeholder does not vary significantly in different industries. In Taiwan, Chiu and Wang (2015) multinational corporations have capacity to disseminate culture of sustainability disclosure especially if they have adopted it in their domicile. Locally, Wangombe (2015) argued that environmental reporting is dependent on government, customers, shareholders and environmental activists.

## 2.5 Conceptual Framework

From the figure 2.2, Strategic posture was operationalized by an assessment of the firms' aggressiveness and the quality of service with data collected using the questionnaire. Firm attributes were operationalized through an assessment of the firms' organizational practices and the internal organization process with data collected using the questionnaire. Stakeholder attributes variable was operationalized through an assessment of stakeholder pressure and power faced by the firms, using the questionnaire. The level of corporate sustainability disclosure was operationalized by an assessment of the firms' indicators on their Social, Environmental, Economic and Governance disclosures.



**Figure 2.2 The Conceptual Framework**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the research methodology that was employed in the study. Section 3.2 introduces the research philosophy. Section 3.3 presents the research design. Section 3.4 presents the population and sampling. Section 3.5 presents the sample size and sampling techniques. Section 3.6 presents the data collection instruments. Section 3.7 explains validity and reliability. Section 3.8 outlines how the data collected was analyzed. Section 3.9 of this chapter concludes by presenting a discussion on the ethical considerations.

#### **3.2 Research Philosophy**

The study was guided by positivism research philosophy. It is anchored on designing, execution and observing outcomes of an experiment (Saunders, Lewis & Thornhill, 2014). In this philosophy, existing theories are used to develop testable hypotheses; the research itself acts as a basis of testing theories which will yield into laws (Cooper & Schindler, 2014). To enhance the acceptability of the results the researcher executed the research independently and did not influence the subject under examination. Since the end results ought to be a law, there was need for adoption of a quantifiable approach analyzed statistically to attain results similar to natural approaches (Cooper & Schindler, 2014).

The main purpose was examination of corporate sustainability determinants amongst large firms in Kenya. Research on the objectives was conducted through a deductive approach informed through the theories, formation of hypotheses which were analyzed to arrive at the truth.

### 3.3 Research Design

Descriptive research design is adopted in situations where, questions on what, how and why the current state is maintained. Hence, it was adopted in evaluation of corporate sustainability disclosure determinants amongst large corporations in Kenya. It looks at the reasons for the occurrence of a subject matter (Sekaran & Bougie, 2010). Descriptive research sought to decipher meanings from observations (Robson & McCartan, 2016). Through the observations made, the researcher tries to identify characteristics of the population being studied (Robson & McCartan, 2016).

### 3.4 Population and Sampling

The study's target population was large firms in Kenya. The choice of the large Kenyan firms was arrived at because of the large scope of economic, environmental and social responsibilities linked to their activities. Large firms have a higher level of responsibility compared to smaller firms. This level of responsibility has also been linked to the "corporate power" they possess over the society around them (George, 2015a). This "corporate power" is attributed to the level of resources that such a firm controls, and how it uses them to make returns (George, 2015a).

Therefore, the study's target population comprised Kenyan firms listed by the Kenya Revenue Authority (KRA) under its Large Taxpayers Office (LTO) category. The KRA large taxpayers list was used as a basis for definition of large firms in Kenya. A large firm was defined as any corporation which had remitted tax return in the past three years from 2016 to 2018. As at January 2019, there were 662 large taxpayer firms as per the list of KRA-LTO (KRA, 2019). Although, taxation is dependent on firm's profitability, these firms were selected due to their persistent trend on tax payments. The distribution of these firms per sector is as shown in Table 3.1.

**Table 3.1 Target Population**

<b>Sector</b>	<b>Number</b>	<b>Percentage</b>
Wholesalers	83	12.5
Transport and storage	78	11.8
Telecommunication and media	52	7.9
Service	38	5.7
Manufacturing	61	9.2
Energy	72	10.9
Insurance	36	5.4
Food and beverage	50	7.6
Construction	84	12.7
Banks	50	7.6
Agriculture	58	8.8
<b>Total</b>	<b>662</b>	<b>100</b>

**Source: KRA, 2019**

### **3.5 Sample Size and Sampling Technique**

Stratified and simple random samplings were adopted in the study. According to Cooper and Schindler (2014) stratified sampling is adopted whenever the study population can be categorized into heterogeneous characteristics. Large firms were stratified according to sector in which they were operating. Through stratification the study is able to categorize respondents into individualized characteristics (Kothari, 2010). A sample of 87 was considered and it was determined by (Yamane, 1967),

$$n = \frac{N}{(1 + N * d^2)}$$

Where:

n = sample size, N= entire Population, d= Expected Error,

As such the sample for this study can be derived as follows:

$$n = \frac{(662)}{(1 + 662 * 0.10^2)}$$

$$n = 87$$

Simple sampling was selected to give all companies equal chances of being selected. Stratified sampling was applied since these firms were not equally distributed amongst sectors. The sample was distributed as follows:

**Table 3.2 Sample Size**

<b>Sector</b>	<b>Number</b>	<b>Percentage</b>
Wholesalers	11	12.5
Transport and storage	10	11.8
Telecommunication and media	7	7.9
Service	5	5.7
Manufacturing	8	9.2
Energy	9	10.9
Insurance	5	5.4
Food and beverage	7	7.6
Construction	11	12.7
Banks	7	7.6
Agriculture	8	8.8
<b>Total</b>	<b>87</b>	<b>100</b>

### **3.6 Data Collection Instrument**

The main tool adopted in the study for data gathering was a questionnaire. Chandran (2009) argued that questionnaire is dominant in social sciences researches due to its simple and concise way of gathering requisite information. Kothari (2010) drummed up support for its application because of its capacity to solicit information with minimal use of time.

Consequently, 87 respondents hailing from specific large firms were issued with questionnaires. The questionnaire had four different sections which sought information in a five-point Likert scale. The first three sections gathered information on determinants of sustainability disclosure and lastly levels of sustainability disclosures were examined on four attributes which were economic, environmental, social and governance.

### **3.7 Validity and Reliability of Research Instrument**

Validity of research instruments evaluates its capacity to gather desired information if it has been issued in heterogenous groups (Cooper & Schindler, 2008). It can be classified into face, content and convergent validity. Content was tested through administration of the research instrument prior to actual study amongst selected respondents upon its approval by the supervisor. Face validity was evaluated through discussion with sustainability disclosure experts and their suggested were incorporated in the final tools which aided in its understanding by respondents.

Reliability of a research instruments is achieved upon administration of it amongst different groups and achieving similar findings. Currently, Cronbach Alpha was adopted as the main tool for examining reliability. According to Sekaran and Bougie (2010) its coefficient ranges from 0 to 1 and those instruments whose value is greater than 0.7 are deemed to be reliable. In this study, strategic posture had reliability coefficient of 0.8, firm attributes had 0.7, stakeholders' attributes had 0.8 and sustainability disclosure had 0.8. Consequently, the research instrument was reliable since all coefficients were greater than 0.7.

### **3.8 Data Analysis**

The study brought quantitative data. Data analysis was carried out on the collected quantitative data using descriptive statistics. This included the mean, the standard deviation, mode and median.

T tests were applied to examine significant differences amongst levels of corporate sustainability disclosure. Pearson R correlation was used to measure strength of the effect of strategic posture, firm attributes and stakeholders' attributes on CSD. Multiple regression model was fitted to the data in order to test how far the independent variables affect the dependent variable. Multiple Regression Analysis is a statistical tool used in this study because it used two or more than two independent variables to predict a dependent variable. Multiple regressions attempt to determine whether a group of variables together predicts a given variable (Saunders et al., 2014).

The regression model is:  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$

Where

$Y$  = Level of corporate sustainability disclosure,  $X_1$  = Strategic Posture,  $X_2$  = Firm Attributes,  $X_3$  = Stakeholders Attributes,  $\epsilon$  = Error term,

$\beta$  = the beta coefficients of independent variables



**Table 3.3 Operationalization of Variables**

<b>Objectives</b>	<b>Research Questions</b>	<b>Indicators</b>	<b>Analysis</b>	<b>Testing</b>
To determine the level of corporate sustainability reporting in large firms	What is the level of corporate sustainability reporting among large firms in Kenya?	Social Environmental Economic Governance	Descriptive Statistics	
To determine the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya.	What is the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya?	Aggressiveness Quality of service	Descriptive & inferential statistics	If p value < 0.05, then strategic posture has significant effect on corporate sustainability reporting
To examine the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya.	What is the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya?	Organization practices Internal organization process	Descriptive & inferential statistics	If p value < 0.05, then firm attributes have significant effect on corporate sustainability reporting
To establish the effect of stakeholder attributes on corporate sustainability disclosure among large firms in Kenya.	What is the effect of stakeholder attributes on corporate sustainability disclosure among large firms in Kenya?	Stakeholder pressure Stakeholder power	Descriptive & inferential statistics	If p value < 0.05, then stakeholder attributes have significant effect on corporate sustainability reporting

Diagnostic tests were also considered to test the model for multicollinearity, heteroscedasticity, and autocorrelation.

### **3.8.1 Linearity**

Linearity was tested using scatter to examine nature of relationship between strategic posture, firm attributes, stakeholder attributes on the level of corporate sustainability disclosure among large firms in Kenya.

### **3.8.2 Heteroskedasticity**

Heteroskedasticity is the situation in which regression error term have unequal variance. According to Sekaran and Bougie (2010), if there is non-uniformity of the error term variation then there are possibilities of making biased conclusions since T ratios will be too small. To ascertain heteroscedasticity, Breusch-Pagan test was applied and if p value was less than 0.05 then the error term was not homoscedastic.

### **3.8.3 Multicollinearity Test**

Multicollinearity test was adopted to examine the degree of interrelationship amongst, strategic posture, firm attributes and stakeholders' pressures. It was tested using variance inflation factors and tolerance limits. According to Sekaran and Bougie (2010) if any variable has variance inflation factor greater than 10, then it should be dropped from the model or regressed on its own in absence of others.

### **3.8.4 Normality Test**

Classical regression analysis requires data to be normal. It is mostly examined through statistical and graphical approaches. The dominant statistical tests are Kolmogorov Smirnov and Jarque Berra test that assumes normality of data. Data is normally distributed whenever the p value is greater than 0.05. Kolmogorov Smirnov tests were adopted as normality tests.

### 3.9 Ethical Considerations

Ethics is a way of conducting oneself in accordance to the principles of conduct that are considered correct, especially those in a certain profession or group (Saunders et al., 2014). The conduct of this research was guided by Strathmore University's code of ethics. Permission to collect data was obtained from the university. The researcher ensured that confidentiality, privacy, anonymity, voluntary and informed consent are considered by separating the identity of individual firm from the information found through coding in presentation. Therefore, in this research, the information gathered was regarded with high privacy and no disclosure was made beyond using the information purely on research.



## **CHAPTER FOUR**

### **FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents study findings and discussion in line with past study findings. Descriptive and inferential statistics have been adopted to analyze the data. Study findings are presented in form of figures and tables and arranged as per study objectives. Section 4.2 commences with response rate, Section 4.3 provides descriptive statistics for level of corporate sustainability disclosure, Section 4.4 presents effect of strategic posture, Section 4.5 presents effect of firm attributes, Section 4.6 presents effect of stakeholders' attributes, Section 4.7 presents the correlation Analysis and Section 4.8 presents the regression Analysis.

#### **4.2 Response Rate**

As shown in Table 4.1, correctly filled and returned questionnaires were 70 and they accounted for 80.5 per cent. 17 questionnaires which accounted for 19.5 per cent were either not returned or correctly filled. This response rate was commendable since Sekaran and Bougie (2013) argued that a response rate which is greater than 60 percent is good and more than 75 percent is commendable and excellent.

These companies hailed from different sectors with majority 11.4 percent from wholesalers and construction followed by 10 percent from transport and storage, energy, food and beverage and agriculture, they were followed by 8.6 percent from manufacturing and the least were 7.1 percent from telecommunication and media, service, insurance and banking sector. This shows that there is acceptance of sustainability disclosure in different sectors of the economy. This can be attributed to embracement of blended approach in management of company activities instead of skewed involvement in profit and wealth maximization principle.

**Table 4.1 Response Rate**

<b>Sector</b>	<b>Number</b>	<b>Percentage</b>
Wholesalers	8	11.4
Transport and storage	7	10.0
Telecommunication and media	5	7.1
Service	5	7.1
Manufacturing	6	8.6
Energy	7	10.0
Insurance	5	7.1
Food and beverage	7	10.0
Construction	8	11.4
Banks	5	7.1
Agriculture	7	10.0
<b>Total</b>	<b>70</b>	<b>100</b>

#### 4.2.1 Reliability Analysis

Reliability of the research instrument was tested using Cronbach's Alpha as shown in Table 4.2. The research instrument was reliable since economic indicators had coefficient of 0.789, environmental indicators (0.815), social indicators (0.842), governance indicators (0.856), sustainability disclosure (0.826), strategic posture (0.846), firm attributes (0.775) and stakeholders attributes (0.806). According to Sekaran and Bougie (2013) since these coefficients were greater than 0.7, then the research instrument was reliable.

**Table 4.2 Reliability Analysis**

<b>Variables</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Economic Indicators	10	0.789
Environmental Indicators	11	0.815
Social Indicators	8	0.842
Governance Indicators	12	0.856
Sustainability Disclosure	41	0.826
Strategic Posture	10	0.846
Firms Attributes	13	0.775
Stakeholders Attributes	13	0.806

### **4.3 Level of Corporate Sustainability Disclosure among Large Firms in Kenya**

To determine the level of corporate sustainability disclosure among large firms in Kenya, scores were assigned on a five-point Likert scale, the scale ranged from Very Poor Disclosure (1), to Very Good Disclosure (5). Descriptive statistics were adopted to analyze each indicator's data set using mean, standard deviation, mode and median.

#### **4.3.1 Economic Indicators of Sustainability Disclosure among Large Firms in Kenya**

As shown in Table 4.3, employee wages and benefits, payment to capital providers, government payments were common economic indicators of corporate sustainability disclosure among large firms in Kenya as accounted by mean of 3.8, 3.9 and 3.8 respectively. Majority neither agreed nor disagreed on reporting on investment on community needs and risk and return posed by climatic changes. Also, majority neither agreed nor disagreed that they reported risk and return posed by climatic changes (mean = 3, standard deviation = 1.6). It was agreed large firms reported on financial implication due to climatic changes (mean =4.2), cost measures to manage climatic changes (mean = 4), value of defined contribution plans (mean = 3.7), government subsidies (mean =3.9) and good and services contributed by local suppliers (mean = 4.2). On overall findings show that economic indicators accounted for corporate sustainability disclosure among large firms in Kenya (mean =3.8, standard deviation = 1.2 and coefficient of variation of 31.8 percent).

These findings agreed with Sen and Das (2013) who argued in favor of the corporation disclosing their degree of involvement on economic issues so as to contribute to sustainable development. This would portray the management's ability to identify and balance societal needs within wealth maximization principle (Chiu & Wang, 2015). This by reporting on sustainability issues anchored on the organizations capacity to disseminate information on how they contribute to addressing specific issues affecting the economy.

**Table 4.3 Economic Indicators of Sustainability Disclosure among Large Firms in Kenya**

<b>Economic Indicators</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Employee wages and benefits	3.8	4	5	1.2
Payment to capital providers	3.9	4	5	1.1
Government payment	3.8	4	4	1.2
Investment on community needs	3.2	4	4	1.6
Risk and return posed by climatic changes '	3.0	3.5	4	1.5
Financial implications due to climatic changes	4.2	4	5	1.0
Cost measures to manage climatic changes	4.0	4	4	0.9
Value of defined contribution plans	3.7	4	4	1.2
Government subsidies	3.9	4	4	1.0
Goods and services contributed by local suppliers	4.2	4	5	1.0
<b>Overall average</b>	<b>3.8</b>			<b>1.2</b>

#### **4.3.2 Environmental Indicators of Sustainability Disclosure among Large Firms in Kenya**

The common environmental indicators in sustainability disclosure were disclosures on energy sourced from fossil and renewable sources, raw materials were recycled, fuel sources and costs and energy conservation and measures as accounted with mean of 4.2 respectively. On overall findings show that environmental sustainability disclosure was embraced by large firms in Kenya (mean =3.9, standard deviation = 1.1 and coefficient of variation = 28.2 percent). These results agreed with Buhr (2007) who supported reporting of other issues beyond profit and loss metrics of companies. Additional disclosures included corporate participation in environmental management, community relations and human capital management (Minguel, 2017). Although, there are conflicts on whether sustainability disclosures are for internal or external use, large firms in Kenya have embraced and are disclosing majority of the environmental initiative's information in financial statements as well as in their respective corporations' websites.

**Table 4.4 Environmental Indicators of Sustainability Disclosure among Large Firms in Kenya**

<b>Environmental Indicators</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Energy sources from fossil and renewable sources	4.2	4	4	0.8
Recycling of raw materials	4.2	4	4	0.9
Fuel sources and costs	4.2	4	5	1.0
Energy conservation measures	4.2	4	5	0.9
Water used and recycled	3.5	4	4	1.2
Total greenhouse emissions	3.8	4	4	1.1
Amount and procedure of discharging water	3.8	4	5	1.3
Waste products and procedures	3.7	4	4	1.2
Cost on environmental protection	4.2	4	4	0.9
Clients environment management evaluation	3.8	4	5	1.3
Suppliers environmental management evaluation	3.5	4	4	1.3
<b>Overall average</b>	<b>3.9</b>			<b>1.1</b>

#### **4.3.3 Social Indicators of Sustainability Disclosure among Large Firms in Kenya**

Majority of firms have their social disclosures focusing on occupation health and safety measures in place, proportion of women on the boards, community participation on their organization plans, level of political participation and potential negative impact on the society with mean of 4.0, 3.6, 3.6, 3.5 and 3.7 respectively. Although, the respondents agreed that their organization disclosed on most issues of governance, the modal case was that they neither agreed nor disagreed on extent of governance disclosure which calls for examination on the extent of governance sustainability reporting. It is important to note that most large firms were reporting on corporate sustainable disclosure as indicated by mean of 3.7.

These findings concurred with Deegan and Islam (2012) who reported that most corporate entities have adopted sustainability disclosure as a means of communicating the extent of the social activities they are involved in. In spite of heterogeneity on reporting status, there is concurrence on quality and status of sustainability disclosure on aspects of social corporate involvement. According to Hahn and Lulfs (2014) it is anticipated that sustainability disclosure provides clarity on state of corporate performance by balancing financial and social information reported.

**Table 4.5 Social Indicators of Sustainability Disclosure among Large Firms in Kenya**

	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Employees cumulative benefits	3.4	4	4	1.4
Occupation health and safety measures in place	4.0	4	5	1.2
Proportion of women in board of directors	3.6	4	4	1.2
Community participation in organization plans	3.6	4	4	1.3
Community development programs	3.4	3.5	3	1.3
Level of political participation '	3.5	4	4	1.3
Potential negative impact from the society	3.7	4	5	1.3
Suppliers and customers subjected on community needs	4.0	4	5	1.1
<b>Overall average</b>	<b>3.6</b>			<b>1.3</b>

#### **4.3.4 Governance Indicators of Sustainability Disclosure among Large Firms in Kenya**

As shown in Table 4.6, a study on governance indicators revealed that governance composition and structure was disclosed by large firms (Mean = 4.1, standard deviation = 1). Secondly, majority disclosed competency of board members (mean = 4.2, standard deviation = 0.9). Similarly, majority disclosed tenure of board members (mean = 3.5, standard deviation = 1.2). Disclosure was low on significant positions were held by board members (mean = 3.3), CEO doubled as board of directors' chairperson (mean = 3.4), they were stakeholders' representation (mean = 3.2), disclosure on remuneration of board of directors (mean = 3.3), integrity access mechanism in an organization (mean = 3.3) and integrity access mechanism in an organization (mean = 3.1). In contrast improved disclosures on firms having sustainability committees within their organization (mean = 3.6), they disclosed on their multiple directorship (mean = 3.8) and they had whistle blowing strategies in their organization (mean = 3.5). On overall it was found that they corporation had embraced governance sustainability disclosures within their corporations (mean = 3.6, standard deviation = 1.3 and coefficient of variation = 36.4 percent).

These findings concurred with agency theory on the need to minimize agency and monitoring costs amongst corporation. Elimination of the state of information asymmetry would minimize acquisition costs and lead to maximization of shareholders wealth. Empirically, the study concurred with Azlan and Roszaini (2011) who supported the need for corporation to embrace sustainability disclosure as a tool to embrace participatory decision making. This was meant to alter tradition state of financial reporting which had limited non-financial aspects within their financial statements (Raar, 2013). Moreover, this information may be adopted to alleviate institutions from corporate governance abuse, by eliminating level of information asymmetry between internal and external stakeholders (Hughen et al., 2014).

**Table 4.6 Governance Indicators of Sustainability Disclosure among Large Firms in Kenya**

<b>Governance Indicators</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Governance composition and structure	4.1	4	5	1.0
Competencies of board members	4.2	4	5	0.9
Tenure of board directors	3.5	3.5	3	1.2
Significant position held by board members	3.3	3.5	4	1.2
Chief executive duality	3.4	4	5	1.3
Stakeholders representation	3.2	3	3	1.2
Disclosure on multiple directorships	3.8	4	5	1.3
Presence of sustainability disclosure committee	3.6	4	4	1.3
Role of board of directors in economic, environmental and social management	3.7	4	5	1.2
Disclosure on remuneration of board of directors	3.3	4	4	1.4
Integrity access mechanism in an organization	3.1	3	5	1.6
Presence of whistle blowing strategies in an organization	3.5	4	5	1.5
<b>Overall average</b>	<b>3.6</b>			<b>1.3</b>

#### **4.4 Effect of Strategic Posture on Corporate Sustainability Disclosure among Large Firms in Kenya**

The first objective of the study examined the effect of strategic posture on corporate disclosure among large firms in Kenya. The respondents were expected to indicate their level of agreement ranging from 1- Strongly disagree to 5-Strongly agree. Descriptive statistics were adopted to analyze the data using mean, standard deviation, mode and median.

As shown in Table 4.7 majority of the respondents agreed that their firm's willingness to sacrifice short term profits is guides their corporate sustainability disclosure (mean = 4.1, std dev = 0.6). Similarly, majority (mean = 4.1) agreed that either their firm frequently review product prices to enhance their corporate sustainability disclosure or use of frequent communication in their organization on sustainability issues has enhanced corporate sustainability disclosure. Majority strongly agreed (mean = 4.5) that their desire to enhance on quality of goods and services or incorporation of employee's empowerment strategies on sustainable development have enhanced sustainability disclosure. Further, majority strongly agreed (mean = 4.6) that either their organization structure strategically incorporates participation on sustainable development goals or provision of incentives on goods and services has enhanced corporate sustainability disclosure. Although, majority agreed (mean =3.5) that their value on customers feedback has enhanced corporate sustainability disclosure, others neither agreed nor disagreed (mean =3.2) that participative productive development and (mean = 3.4) on their service quality continuous improvement has enhanced our corporate sustainability disclosure. On overall majority (mean = 4.1, standard deviation = 0.9) agreed that strategic posture affected corporate sustainability disclosure.

These findings concurred with Magness (2006) who called for increased levels of information access to eliminate conflicts amongst different stakeholders. To optimize benefits associated with strategic posture, there is need for the management to have active engagement with all stakeholders which can only be achieved gathering requisite information from heterogeneous organization entity more so customers who are directly

affected by organization involvement in decision making. Moreover, Chui and Wang (2014) purported that institutions successful strategy adoption is dependent on degree of sustainability disclosure. There is need for corporations to improve the quality of services anticipated by customers.

**Table 4.7 Effect of Strategic Posture on Corporate Sustainability Disclosure among Large Firms in Kenya**

	Mean	Median	Mode	Std. Dev
Our firm's willingness to sacrifice short term profits is guided by corporate sustainability disclosure	4.1	4	4	0.6
Our firm frequently reviews product prices to enhance our corporate sustainability disclosure	4.1	4	5	0.9
Frequent communication in our organization on sustainability issues has enhanced our corporate sustainability disclosure	4.1	4	4	0.8
Our organization structure strategically incorporates participation on sustainable development goals has enhanced corporate sustainability disclosure	4.6	5	5	0.8
The desire to enhance on quality of goods and services has enhanced our corporate sustainability disclosure.	4.5	5	5	0.8
Provision of incentives on our goods and services has enhanced our corporate sustainability disclosure.	4.6	5	5	0.7
Our organization has incorporated the employee empowerment strategies on sustainable development goals which have enhanced our corporate sustainability disclosure.	4.5	5	5	0.7
Our value on customers' feedback has enhanced our corporate sustainability disclosure.	3.5	4	4	1.1
Our participative product development has enhanced our corporate sustainability disclosure.	3.2	3	4	0.9
Our service quality continuous improvement has enhanced our corporate sustainability disclosure.	3.4	4	4	1.3
<b>Overall</b>	<b>4.1</b>			<b>0.9</b>

#### **4.5 Effect of Firm Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya**

The second objective of the study sought to determine the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya. To achieve this, respondents' level of agreement on five-point Likert scale was sought, the scale ranged from 1- Strongly disagree to 5-Strongly agree. Descriptive statistics were adopted to analyze the data using mean, standard deviation, mode and median.

As shown in Table 4.8 majority (mean = 3.9) either agreed that their initiation of sustainability issues from organization management or their response to investors expression concerning investments during their meetings have enhanced corporate sustainability disclosure. Secondly, majority agreed that their internal training on sustainability issues has enhanced their corporate sustainability disclosure (mean = 4.0, standard deviation = 1.0). Thirdly, majority either agreed that response to expression of interest from their customers or their financial structure has effect on corporate sustainability disclosure (mean =3.8). Further, majority (mean = 3.7) agreed that comparative analysis from their rivals by management guides on their corporate sustainability disclosure.

It is important to note that majority neither agreed nor disagreed that (mean = 3.2) nature of their local and international business practices in their sector or (mean = 2.5) their mode of retaining and managing human capital has enhanced their corporate sustainability disclosure. Majority agreed (mean = 4.4 and 4.0) that their employee's attitudes towards sustainability disclosure and desire to benefit from ratings associated with sustainability has enhanced corporate sustainability disclosure respectively. Further, majority mean = 3.1 and 3.3 neither agreed nor disagreed that presence of sustainability officers in their organization and desire to improve firm publicity have enhanced corporate sustainability disclosures. On average majority agreed that firm attributes have effect on corporate sustainability disclosure (mean = 3.6, standard deviation = 1.0).

These findings concurred with Azlan and Roszaini (2011) together with Chen and Bouvain (2009) who reported that sustainability reporting is dependent on firm characteristics such as industry sector, financial structure, ownership structure and profitability. They differed with Chen et al., (2009) and Kuzey and Uyar (2009) who reported institutional attributes may not be harmonious within corporations hence their contribution is dependent on external attributes which may be unique for industries, business environment and prevailing economic conditions.

**Table 4.8 Effect of Firm Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya**

	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Our initiation of sustainability issues from organization management has enhanced our corporate sustainability disclosure.	3.9	4	4	0.7
Our internal training on sustainability issues has enhanced our corporate sustainability disclosure.	4.0	4	4	1.0
Our response to an expression of investors' concern on investments during our meetings guides our corporate sustainability disclosure	3.9	4	4	1.0
Comparative analysis of our rivals by our management guides our corporate sustainability disclosure.	3.7	4	4	1.2
Response to an expression of interest from our consumers guides our corporate sustainability disclosure.	3.8	4	4	1.1
Nature of local and international business practices in our sector guides our corporate sustainability disclosure.	3.2	3	3	1.1
Our financial structure has enhanced our corporate sustainability disclosure.	3.8	4	4	1.1
Our mode of retaining and managing our human capital has enhanced our corporate sustainability disclosure.	2.5	2	2	1.1
An organization culture of assuring our investors on sustainability involvement has enhanced our corporate sustainability disclosure.	3.6	4	4	0.9
Our employees' attitude towards sustainability has enhanced our corporate sustainability disclosure.	4.4	5	5	0.8
We have enhanced our corporate sustainability disclosure to benefit from ratings associated with	4.0	4	5	1.1

sustainability.

The presence of sustainability officers in our organization has enhanced our corporate sustainability disclosure.	3.1	3	3	1.0
We have enhanced our corporate sustainability disclosure to improve our firms' publicity.	3.3	3	3	1.0
<b>Overall average</b>	<b>3.6</b>			<b>1.02</b>

#### **4.6 Effect of Stakeholders Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya**

The third objective of the study examined the effect of stakeholder's attributes on corporate sustainability disclosure among large firms in Kenya. To achieve this, respondents' level of agreement on five-point Likert scale was sought, the scale ranged from 1- Strongly disagree to 5-Strongly agree. Descriptive statistics were adopted to analyze the data using mean, standard deviation, mode and median.

As shown in Table 4.9 majority (mean = 4.0) agreed that their CEO pressurizes on sustainability reporting and this has enhanced corporate sustainability disclosure. Secondly, majority agreed (mean = 3.9) agreed that their board of directors pressurizes on sustainability reporting. Thirdly, majority (mean = 2.8 and 3.4) neither agreed nor disagreed that their international presences have forced them to subscribe to sustainability reporting and their accounting professional bodies subscribes on sustainability has enhanced corporate sustainability reporting respectively. Majority agreed (mean = 3.6) that their competitors' subscription to sustainability reporting have enhanced corporate sustainability disclosure. Further, majority (mean =4.0) either agreed that stakeholders need to know how their investments are managed or stakeholder's enquiry on whether their organization pays tax has enhanced corporate sustainability disclosure. Majority either agreed (mean = 4.1) that stakeholders need to know firm's profitability or inquiry on employee attitudes towards sustainability have enhanced corporate sustainability disclosure. Also, majority agreed mean = 4.0 and 3.6 agreed that foreign and local lenders emphasis on approving loans on the basis of sustainability reporting has enhanced corporate sustainability disclosure. On overall majority agreed that stakeholders'

attributes have an influence on corporate sustainability disclosure of large firms in Kenya (mean = 3.7, standard deviation = 1.1).

These findings concurred with Sener et al., (2016) who identified different stakeholders whose contribution on sustainability reporting is inevitable. According to Wangombe (2015) in Kenya context the main stakeholders are government, customers, social and environment lobbying entities. These entities are perceived to create pressure which is indicated through regulation. This information may signal state of organization performance. Similarly, Chui and Wang (2015) argued that these stakeholders exert pressure on their desire to consolidate information for decision making and ultimately lead to detailed qualitative information in financial statements.



**Table 4.9 Effect of Stakeholders Attributes on Corporate Sustainability Disclosure among Large Firms in Kenya**

	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev</b>
Our CEO pressurizes on sustainability reporting and this has enhanced our corporate sustainability disclosure.	4.0	4	5	1.3
Our board of directors pressurizes on sustainability reporting and this has enhanced our corporate sustainability disclosure.	3.9	4	5	1.2
Our accounting professional bodies subscribe on sustainability reporting and this has enhanced our corporate sustainability disclosure.	3.4	3	3	1.1
Our competitors have subscribed to sustainability reporting and this has enhanced our corporate sustainability disclosure.	3.6	4	5	1.3
Our international presences have forced us to subscribe to sustainability reporting and this has enhanced our corporate sustainability disclosure.	2.8	3	2	1.3
Our organization being a member of external sustainability governing bodies such as capital market authority has enhanced our corporate sustainability disclosure.	3.5	4	4	1.1
Our organization is concerned about external ratings on sustainability reporting and this has enhanced our corporate sustainability disclosure.	3.4	4	4	1.3
Stakeholders usually want to know whether the organization pays tax and this has enhanced our corporate sustainability disclosure.	4.0	4	5	1.2
Stakeholders need to know how their investments are managed and this has enhanced our corporate sustainability disclosure.	4.0	4	4	0.8
Stakeholders need to know the firm's profitability and this has enhanced our corporate sustainability disclosure.	4.1	4	4	0.9
It is important to know employees' attitude towards sustainability reporting and this has enhanced our corporate sustainability disclosure.	4.1	4	4	0.9
Foreign lenders' emphasis on approving loans on the basis of sustainability reporting and this has enhanced our corporate sustainability disclosure.	4.0	4	4	0.8
Local lenders' emphasis on approving loans on the basis of sustainability reporting and this has enhanced our corporate sustainability disclosure.	3.6	4	4	1.1
<b>Overall average</b>	<b>3.7</b>			<b>1.1</b>

## 4.7 Correlation Analysis

The Pearson Correlation Coefficient (Pearson  $r$ ) was used in this study to examine the strength of influence amongst study variables (Sekaran & Bougie, 2010). Pearson  $r$  is a measure of the magnitude and direction of the linear relationship between two variables (Saunders et al., 2014). The values of the correlation coefficient always range from -1 to +1. If it lies near to -1, it shows a strong negative correlation but if it lies near to +1 it shows a strong positive correlation (Kothari, 2014). Pearson correlation coefficient is appropriate whenever the dependent and independent variables are in ratio scale, which was achieved after calculation of score for each variable in the study. Consequently, Pearson correlation analysis was adopted to examine the strength of the effect of strategic posture, firm attributes and stakeholders' attributes on sustainability disclosure of large firms in Kenya.

As shown in Table 4.10 there was positive and significant influence of strategic posture on sustainability disclosure among large firms in Kenya ( $\rho = 0.729$ ,  $p$  value  $< 0.05$ ). Secondly, there was positive and significant effect of firm attributes on sustainability disclosure of large firms in Kenya ( $\rho = 0.698$ ,  $p$  value  $< 0.05$ ). Thirdly, there was positive and significant effect of stakeholder's attributes on corporate sustainability disclosure ( $\rho = 0.642$ ,  $p$  value  $< 0.05$ ).

Since none of the independent variables had correlation coefficient greater than 0.7 with each other then it can be concluded there was no collinearity amongst independent variables. These findings agreed with Shehata (2014) who argued that organization significantly reduces information asymmetry to disseminate monitoring and agency costs when they are seeking for capital internally or externally. Dienes et al., (2016) argued that financial structure of listed companies have significant influence on degree of sustainability disclosure amongst corporate entities. Similarly, Hahn and Kuhnen (2013) argued that corporate institutions have tendencies to protect and mitigate loss of positive corporate image through dissemination of their information through heterogeneous avenue such as social media platforms, website and financial statements.

**Table 4.10 Correlation Analysis**

		<b>Sustainability Disclosure</b>	<b>Strategic Posture</b>	<b>Firm Attributes</b>	<b>Stakeholder Attributes</b>	
Sustainability Disclosure	Pearson Correlation	1				
	Strategic Posture	Pearson Correlation	.729**	1		
		Sig. (2-tailed)	0.000			
Firm Attributes	N	70	70			
	Stakeholder Attributes	Pearson Correlation	.698**	.593**	1	
		Sig. (2-tailed)	0.000	0.000		
Stakeholder Attributes	N	70	70	70		
	Sustainability Disclosure	Pearson Correlation	.642**	.524**	.554**	1
		Sig. (2-tailed)	0.000	0.000	0.000	
	N	70	70	70	70	

\*\* Correlation is significant at the 0.01 level (2-tailed).

#### 4.8 Regression Analysis

Classical regression analysis was adopted to show the nature of the conceptualized effect of strategic posture, firm attributes and stakeholders attributes on corporate sustainability disclosure. Prior to fitting regression model, classical assumptions were tested and findings reported as shown below.

##### 4.8.1 Mean for Paired Sample T Test on Levels of Corporate Sustainability Disclosure

Paired sample T test was adopted to examine significant differences between different levels of corporate sustainability disclosure amongst large firms in Kenya. Results showed in Table 4.11 show average score of several indicators on economic, environmental, social and governance. Environmental indicators had the highest average

of 3.9, followed by economic indicators of 3.7, then 3.6 for social indicators and governance indicators had average of 3.5.

**Table 4.11 Mean for Paired Sample T Test on Levels of Corporate Sustainability Disclosure**

		<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>
Pair 1	Governance Indicators	3.556	70	0.432	0.052
	Social Indicators	3.6482	70	0.556	0.066
Pair 2	Governance Indicators	3.556	70	0.432	0.052
	Economic Indicators	3.7729	70	0.499	0.060
Pair 3	Governance Indicators	3.556	70	0.432	0.052
	Environmental Indicators	3.9078	70	0.501	0.060
Pair 4	Social Indicators	3.6482	70	0.556	0.066
	Economic Indicators	3.7729	70	0.499	0.060
Pair 5	Social Indicators	3.6482	70	0.556	0.066
	Environmental Indicators	3.9078	70	0.501	0.060
Pair 6	Economic Indicators	3.7729	70	0.499	0.060
	Environmental Indicators	3.9078	70	0.501	0.060

#### **4.8.2 Test for Significant Difference on Paired Sample T Test on Levels of Corporate Sustainability Disclosure**

Results shown in Table 4.12, shows that there was no significant difference between governance and social indicators of corporate sustainability disclosure (p value >0.05). Secondly, there was a significant difference between governance and economic sustainability disclosures amongst large firms in Kenya (p value >0.05). Thirdly, there was significant difference between governance and environmental disclosure amongst large firms (p value <0.05). Although, social indicators had no significant difference with economic disclosures it was different from environmental disclosures. Finally, there was no significant difference between economic and environmental disclosures amongst large firms in Kenya.

**Table 4.12 Test for Significant Difference between Levels of Corporate Sustainability Disclosure Attributes**

		Paired Differences			t	df	P value
		Mean	SD	SE			
Pair 1	Governance Indicators - Social Indicators	-0.09	0.66	0.08	-1.17	69	0.25
Pair 2	Governance Indicators - Economic Indicators	-0.22	0.6	0.07	-3.02	69	0.00
Pair 3	Governance Indicators - Environmental Indicators	-0.35	0.64	0.08	-4.59	69	0.00
Pair 4	Social Indicators - Economic Indicators	-0.12	0.72	0.09	-1.45	69	0.15
Pair 5	Social Indicators - Environmental Indicators	-0.26	0.64	0.08	-3.4	69	0.00
Pair 6	Economic Indicators - Environmental Indicators	-0.13	0.64	0.08	-1.77	69	0.08

#### 4.8.3 Normality Test

Normality was tested through use of K-S and Shapiro-Wilk test. The tests assumed that the data was normally distributed. Since P values for sustainability disclosure, strategic posture, firm attributes and stakeholders' pressure. Then there was no enough evidence to warrant rejection of the null hypothesis, thus it was concluded that the data was normally distributed.

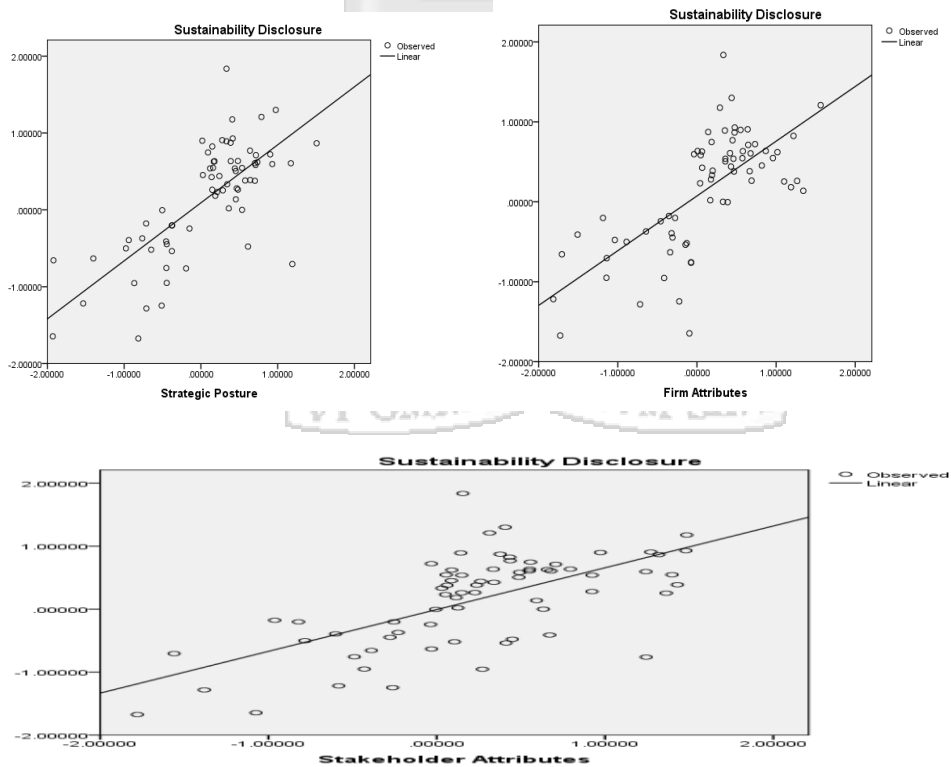
**Table 4.13 Normality Test**

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Sustainability Disclosure	0.013	70	0.25	0.0958	70	0.22
Strategic Posture	0.014	70	0.29	0.0962	70	0.26
Firm Attributes	0.095	70	0.195	0.0953	70	0.25
Stakeholder Attributes	0.012	70	0.26	0.0964	70	0.24

a Lilliefors Significance Correction

#### 4.8.4 Linearity Test

Pictorial presentation revealed positive effect of strategic posture, firm attributes and stakeholders' attributes on corporate sustainability disclosure of large firms in Kenya.



**Figure 4.1 Linearity Test**

#### 4.8.5 Homoscedasticity

Results shown in Table 4.14, revealed uniformity of variance of the error term since p value was greater than 0.05. Consequently, it did not present enough evidence to warrant rejection of the null hypothesis of constant variance. Presence of heteroskedasticity is usually mitigated through use of robust standard errors or fitting generalized least squares model.

**Table 4.14 Homoscedasticity Test**

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Breusch-Pagan / Cook-Weisberg test for heteroscedasticity  
Ho: Constant variance  
 $\chi^2(1) = 0.70$   
Prob >  $\chi^2 = 0.4021$

---

#### 4.8.6 Multicollinearity Test

As shown in Table 4.15 there was no collinearity amongst independent variables since none of variance inflation factor exceeded 10. Collinearity analysis is mostly carried out using variance inflation factors and tolerance limits. Tolerance limits is a reciprocal of VIF, there is multicollinearity whenever its less than 0.1.

**Table 4.15 Multicollinearity Test**

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	Collinearity Statistics	
	Tolerance	VIF
Strategic Posture	0.593	1.686
Firm Attributes	0.567	1.764
Stakeholder Attributes	0.634	1.576

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#### 4.9 Regression Model Summary

The study adopted ordinary least squares regression analysis to examine determinants of corporate sustainability disclosure among large firms in Kenya. Multiple regression analysis was applied since there were three independent variables which include;

strategic posture, firm attributes and stakeholders' attributes. The dependent variable was the level of corporate sustainability disclosure. Regression model summary in Table 4.16 has coefficient of determination (r squared) of 0.68 which indicate that 68 percent of variation in corporate sustainability disclosure can be accounted for by strategic posture, firm attributes and stakeholders' attributes with outstanding percent being accountable to extraneous issues to the model.

**Table 4.16 Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825a	0.68	0.666	0.421897

a Predictors: (Constant), Stakeholder Attributes, Strategic Posture, Firm Attributes

b Dependent Variable: Sustainability Disclosure

#### 4.9.1 Analysis of Variance

As shown in Table 4.17 strategic posture, firm attributes and stakeholders' attributes all jointly had significant effect on corporate sustainability disclosure among large firms in Kenya (F= 46.85, p value <0.05) and at least one of their slope coefficients was not equal to zero.

**Table 4.17 Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	25.017	3	8.339	46.85	.000b
Residual	11.748	66	0.178		
<b>Total</b>	<b>36.765</b>	<b>69</b>			

a Dependent Variable: Sustainability Disclosure

b Predictors: (Constant), Stakeholder attributes, Strategic Posture, Firm Attributes

#### 4.9.2 Regression Coefficients

Regression coefficient results shown in Table 4.18 shows the nature of the effect of strategic posture, firm attributes and stakeholder Attributes on corporate sustainability

disclosure among large firms in Kenya. From the findings there was positive and significant effect of strategic posture on corporate sustainability disclosure among large firms in Kenya ( $\beta = 0.424$ ,  $t = 4.533$ ,  $p$  value  $<0.05$ ). Consequently, unit change in strategic posture while holding firm attributes and stakeholders' attributes constant increases sustainability disclosure by 0.424 units. These findings supported signaling hypothesis, Magness (2006) and Chui and Wang (2014) who supported the need for organization to clearly disseminate information on strategic posture and align it to provisions of corporate sustainability reporting.

Secondly, there was positive and significant effect of firm attributes on sustainability disclosure among large firms in Kenya ( $\beta = 0.309$ ,  $t = 3.407$ ,  $p$  value  $<0.05$ ). Hence, unit change in firm attributes increases sustainability disclosure by 0.309 units while holding constant strategic posture and stakeholder attributes. These findings agreed with Azlan and Roszaini (2011) who found significant influence of firm characteristics on sustainability reporting. This was in contrast with Kuzey and Uyar (2009) who reported no relationship between firm attributes and quality of sustainability reporting.

Thirdly, there was positive and significant effect of stakeholder attributes on sustainability disclosure among large firms in Kenya ( $\beta = 0.261$ ,  $t = 2.894$ ,  $p$  value  $<0.05$ ). Hence, unit change in stakeholders pressure increases sustainability disclosure by 0.261 units while holding constant strategic posture and firm attributes. These findings indicate that higher levels of corporate sustainability disclosures are dependent on higher stakeholder pressure and power.

**Table 4.18 Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.022	0.053		0.41	0.683
	Strategic Posture	0.424	0.094	0.41	4.533	.0000
	Firm Attributes	0.309	0.091	0.315	3.407	0.001
	Stakeholder Attributes	0.261	0.09	0.253	2.894	0.005

a Dependent Variable: Sustainability Disclosure



## CHAPTER FIVE

### SUMMARY CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations. Section 5.2 discusses the summary findings, Section 5.3 presents the conclusion, Section 5.4 presents the recommendations of the study and section 5.5 provides suggestions for further study.

#### 5.2 Summary of Findings

Major findings emanating from the study revealed that generally, the level of corporate sustainability disclosure among large firms in Kenya is low. Although, most firms had adopted global reporting initiative others had integrated financial reporting approach. This can be attributed to the voluntary nature of the practice of corporate sustainability. In addition, the study revealed that 68 percent of changes in corporate sustainability disclosures can be accounted for by strategic posture, firm attributes and stakeholders attributes the remaining percentage was accounted by extraneous factors excluded in the model. The existing findings were also consistent with agency theory and signaling theory. According to agency theory, increased disclosure minimizes monitoring and agency costs. Similarly, signaling theory argues in favor of a firm disclosing information whenever they prospect positive outcome from their performance. This is the situation among several large firms in Kenya, since many have just recently adopted corporate sustainability. Likewise, geographical locations and operations of different firms may dictate also dictate the levels of corporate sustainability; for example, some multinationals disclosures have to be consistent with their domicile reporting standards.

##### 5.2.1 Strategic Posture and Corporate Sustainability Disclosure Among Large Firms in Kenya

The first objective of the study examined the effect of strategic posture on corporate sustainability disclosure among large firms in Kenya. Descriptive statistics revealed that for most large firms in Kenya, corporate sustainability disclosures were dependent on

strategic posture. Majority of large firms were willing to forego short term profits, they frequently reviewed their products prices, ensured frequent communication in their firms, had strategically incorporated participation and they had employee's empowerment programs in order to enhance corporate sustainability disclosure. Positive and significant effect of strategic posture effect on sustainability disclosure reporting was documented.

### **5.2.2 Firm Attributes and Corporate Sustainability Disclosure among Large Firms in Kenya**

The second objective examined the effect of firm attributes on corporate sustainability disclosure among large firms in Kenya. Descriptive statistics showed that most firms had their sustainability issues initiated from top management, presence of internal training on sustainability, had made sustainability disclosures to respond to investors and customers and that comparative analysis had enhanced their corporate sustainability disclosures. Correlation analysis reported strong positive effect of firm attributes on CSD. Positive and significant effect of firm attributes on CSD among large firms in Kenya was documented.

### **5.2.3 Stakeholders Attributes and Sustainability Disclosure among Large Scale Firms in Kenya**

The third objective of the study examined the effect of stakeholders' attributes on sustainability among large scale firms in Kenya. Descriptive statistics revealed that internally, sustainability disclosure was amplified by CEO pressures, board of directors, and membership to accounting professional. External pressures arose from competitors, international and local lenders, compliance with taxation laws and employees' attitude towards corporate sustainability enhanced corporate sustainability reporting. Correlation analysis revealed strong positive and significant effect of stakeholder attributes on CSD. Further, positive and significant effect of stakeholder's attributes on CSD large firms in Kenya was documented.

### **5.3 Conclusion**

Although, there are differing levels of sustainability disclosures it can be concluded that the largest firms were disclosing most information on environmental issues and they limited information on governance issues. Environmental indicators dominance on sustainability disclosures can be attributed to industry of operations. It was notable that most firms were from construction sector and few were in service sector which may have limited pollutant emission. This is consistent with global findings and it is attributable to campaigns on environment management.

Secondly, it can be concluded that strategic posture has significant effect on corporate sustainability disclosure and most large firms in Kenya have culture of providing quality and reliable services to their customers. Continued retention of quality service would trigger higher levels of customer satisfaction and motivate organization to maintain high standards of CSD. Continued aggressiveness of large firms in Kenya would lead to competitive advantage which may lead to increased and improved CSD.

Thirdly, there was significant effect of firm attributes on CSD among large firms in Kenya. From this it can be concluded that organization practices adopted by large firms are in support of CSD. These practices are initiation of sustainability initiatives from top management, employee training and comparative analysis with peer firms in their respective sectors. Further, it can be concluded that internal organization process adopted by large firms are in support of corporate sustainability disclosures.

Finally, there was significant effect of stakeholder attributes on CSD among large firms in Kenya. There is internal and external stakeholder effect of corporate sustainability among large firms in Kenya. Further, it can be concluded that stakeholders' attribute which impacted positively on CSD.

### **5.4 Recommendations of the Study**

There is need for large firms to embrace governance, social and economic sustainability disclosure. It is of importance to devise measures geared towards improving level of

information dissemination on governance since minimal information dissemination would escalate conflict and increase information cost access. Social and economic corporate sustainability disclosure would complement environment disclosure which is the most common.

There was notable culture of strategic posturing amongst large firms in Kenya. This puts into perspective, the need for large firms to consistently evaluate their strategic posture on aspects of quality of product/service, aggressiveness, product differentiation, entrepreneurial orientation, evaluation and alignment options which may enhance their corporate sustainability disclosures.

There is need for large firms to continuously evaluate their organization culture, process and internal operational procedures all of which may individually or jointly enhance their corporate sustainability disclosures. Further, there is need for large firms to evaluate their operational procedures to enhance their corporate sustainability disclosures.

Thirdly, there was positive significant effect of stakeholder's attributes on CSD. This reflects the need for large firms to consolidate internal and external pressures which would enhance their disclosures. Further, large firms should showcase their value contribution to all their stakeholders by including such information to improve their sustainability disclosures.

### **5.5 Suggestions for Further Study**

The current study adopted classic regression to analyse the data gathered through questionnaires. Qualitative data gathering approaches such as focus group discussion and interview guides. Further, there is need to evaluate determinants and levels of corporate sustainability disclosure of small and medium enterprises.

Comparative studies on the determinants of suitability disclosure ought to be carried out in Africa. This would facilitate an academic discourse on annual reviews on the state of corporate sustainability disclosures among various African states. Future studies ought to

analyze the determinants of corporate sustainability disclosures on different scenarios and settings such as country specific, regional, sector specific among others.



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## APPENDICES

### Appendix I: Introduction Letter and Academic Reference

Dear Sir/Madam,

**RE: REQUEST TO PARTICIPATE IN A RESEARCH STUDY;  
“DETERMINANTS OF CORPORATE SUSTAINABILITY DISCLOSURE  
AMONG LARGE FIRMS IN KENYA”**

Reference is made to the above subject matter.

The study is part of a research by a graduate student currently undertaking a course in Master of Commerce (Sustainability Accounting Major) at Strathmore University Business School. The researcher seeks to assess Determinants of Corporate Sustainability Disclosure among Large Firms in Kenya.

Your firm has been selected for this study as it is listed on the Kenya Revenue Authority's (KRA) Database – Large Taxpayers Office Category.

Senior management perception is sought on key research objectives since, the practice of Corporate Sustainability is largely voluntary in Kenya and in particular; Corporate Sustainability Disclosure is at the discretion of the management.

Kindly assign a member of staff in the top or middle management, who makes decisions or is directly involved in your firm's Sustainability Disclosure, to answer the attached questionnaire.

Your participation is highly valued and will make a valuable contribution to the development of Corporate Sustainability in Kenya.

Yours Faithfully,

BRIAN NJOROGÉ  
c/o Strathmore University Business School,  
P.O. Box 59857-00200,  
**NAIROBI.**  
Email: [brian.njoroge916@strathmore.edu](mailto:brian.njoroge916@strathmore.edu)  
Cell: +254 726 016 524



**Strathmore**  
UNIVERSITY

07 March 2019

**TO WHOM IT MAY CONCERN**

**Academic Reference for Njoroge Brian Kamau Student No. 95572**

Mr. Njoroge Brian Kamau is a postgraduate student in our Master of Commerce (MCom) programme. In partial fulfilment of the MCom degree, students are required to carry out a research project and write a thesis on a contemporary subject within their field of specialisation. Among other activities, the project involves data collection and analysis.

Brian is requesting to gather information to be used in his research. The information he will obtain from your organization will be used for this academic purpose only and will be kept confidential. The results of the survey will be in summary form and will not disclose any individual, company name or company information in any way.

The research study is entitled “**Determinants of Corporate Sustainability Disclosure among Large Firms in Kenya.**”

We hope that your organization can assist by providing information to the above named student.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Quindos Karanja'.

**Quindos Karanja**  
**Coordinator – Master of Commerce (MCom)**  
**Strathmore University Business School**  
**Email: qkaranja@strathmore.edu**

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000  
Email info@strathmore.edu www.strathmore.edu

## **Appendix II: Informed Consent**

### **PARTICIPANT INFORMATION AND GUIDELINES FOR QUESTIONNAIRE**

1. **Title of the Research;**

Determinants of Corporate Sustainability Disclosure among Large firms in Kenya.

2. **Purpose of the Questionnaire;**

This questionnaire will help the researcher collect the primary data from the respondent(s). The data will therefore supplement the available secondary data and assist the researcher in resolving the research problem.

3. **Confidentiality;**

Data confidentiality will be upheld throughout the study and non-identity disclosure of respondents will be maintained. Pseudo names of respondents will be adopted.

4. **Participation is Voluntary;**

Participation in the study is voluntary and free to withdraw at any stage.

5. **Your Rights to opt Out of Question(s).**

If unease with some questions the respondent is at will to decline to respond to it.

6. **What will happen to the information collected from participants?**

Filled in questionnaires will be stored under lock and key cupboard and any digital records will be destroyed upon completion of the study.

7. **Who can I contact in case I need further clarification?**

You can contact the researcher:

Brian Njoroge

c/o Strathmore University Business School,

P.O. Box 59857-00200,

**NAIROBI.**

Email: [brian.njoroge916@strathmore.edu](mailto:brian.njoroge916@strathmore.edu)

Cell: +254 726 016 524

You can also contact the supervisor:

Professor David Wang'ombe

Strathmore University Business School,

P.O. Box 59857-00200,

**NAIROBI.**

Email: [dwangombe@strathmore.edu](mailto:dwangombe@strathmore.edu)

Cell: +254 703 034 375

- 8. If you want to ask someone independent anything about this research please directly contact:**

The Secretary

Strathmore University Institutional Ethics Review Board

P.O. Box 59857-00200,

**NAIROBI.**

Email: [ethicsreview@strathmore.edu](mailto:ethicsreview@strathmore.edu)

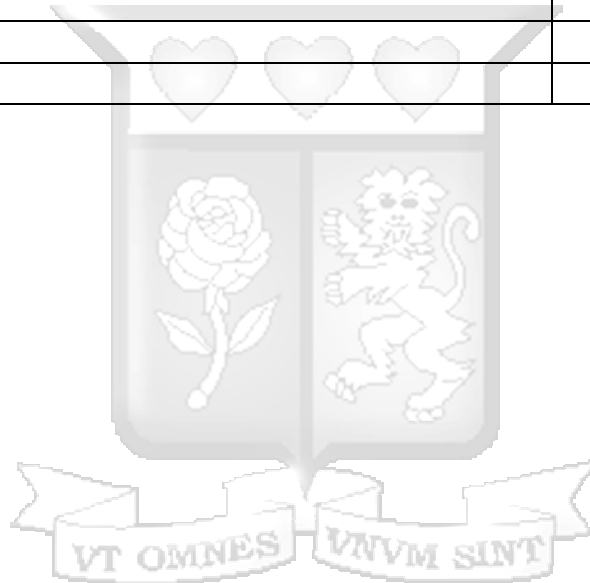
Cell: +254 703 034 375



### Appendix III: Questionnaire

**A: Kindly indicate your main industry if operations**

Sector	Select one
Wholesalers	
Transport and storage	
Telecommunication and media	
Service	
Manufacturing	
Energy	
Insurance	
Food and beverage	
Construction	
Banks	
Agriculture	



**Section B: Strategic Posture and Corporate Sustainability Disclosure**

The following section shows strategic posture that may exist in your organization. You are required to indicate the level of agreement on a five-point Likert- scale on how strategic posture attributes influence corporate sustainability disclosure in Kenya. **Strongly Disagree (1), Disagree (2), Moderate (3), Agree (4), Strongly Agree (5).**

<b>Aggressiveness</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Our firm’s willingness to sacrifice short term profits is guided by corporate sustainability disclosure					
Our firm frequently reviews product prices to enhance our corporate sustainability disclosure					
Frequent communication in our organization on sustainability issues has enhanced our corporate sustainability disclosure					
Our organization structure strategically incorporates participation on sustainable development goals has enhanced corporate sustainability disclosure.					
<b>Quality of Service</b>					
The desire to enhance on quality of goods and services has enhanced our corporate sustainability disclosure.					
Provision of incentives on our goods and services has enhanced our corporate sustainability disclosure.					
Our organization has incorporated the employee empowerment strategies on sustainable development goals which have enhanced our corporate sustainability disclosure.					
Our value on customers’ feedback has enhanced our corporate sustainability disclosure.					
Our participative product development has enhanced our corporate sustainability disclosure.					
Our service quality continuous improvement has enhanced our corporate sustainability disclosure.					

### Section C: Firm Attributes and Corporate Sustainability Disclosure

The following section shows firm attributes that may exist in your organization. You are required to indicate the level of agreement on a five-point Likert- scale on how firm attributes influence corporate sustainability disclosure in Kenya. **Strongly Disagree (1), Disagree (2), Moderate (3), Agree (4), Strongly Agree (5).**

<b>Organization Practices</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Our initiation of sustainability issues from top management has enhanced our corporate sustainability disclosure.					
Our internal training on sustainability issues has enhanced our corporate sustainability disclosure.					
Our response to an expression of investors' concern on investments during our meetings guides our corporate sustainability disclosure.					
Comparative analysis of our rivals by our management guides our corporate sustainability disclosure.					
Response to an expression of interest from our consumers guides our corporate sustainability disclosure.					
Nature of local and international business practices in our sector guides our corporate sustainability disclosure.					
<b>Internal Organization Process</b>					
Our financial structure has enhanced our corporate sustainability disclosure.					
Our mode of retaining and managing our human capital has enhanced our corporate sustainability disclosure.					
An organization culture of assuring our investors on sustainability involvement has enhanced our corporate sustainability disclosure.					
Our employees' attitude towards sustainability has enhanced our corporate sustainability disclosure.					
We have enhanced our corporate sustainability disclosure to benefit from ratings associated with sustainability.					
The presence of sustainability officers in our organization has enhanced our corporate sustainability disclosure.					
We have enhanced our corporate sustainability disclosure to improve our firms' publicity.					

### Section D: Stakeholder Attributes and Corporate Sustainability Disclosure

You are required to indicate the level of agreement on a five-point Likert- scale on how stakeholders attributes influence corporate sustainability disclosure in Kenya. **Strongly Disagree (1), Disagree (2), Moderate (3), Agree (4), Strongly Agree (5).**

Stakeholders attributes	1	2	3	4	5
Our CEO pressurizes on sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Our board of directors pressurizes on sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Our accounting professional bodies subscribe on sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Our competitors have subscribed to sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Our international presences have forced us to subscribe to sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Our organization being a member of external sustainability governing bodies such as capital market authority has enhanced our corporate sustainability disclosure.					
Our organization is concerned about external ratings on sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Stakeholders usually want to know whether the organization pays tax and this has enhanced our corporate sustainability disclosure.					
Stakeholders need to know how their investments are managed and this has enhanced our corporate sustainability disclosure.					
Stakeholders need to know the firm's profitability and this has enhanced our corporate sustainability disclosure.					
It is important to know employees' attitude towards sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Foreign lenders' emphasis on approving loans on the basis of sustainability reporting and this has enhanced our corporate sustainability disclosure.					
Local lenders' emphasis on approving loans on the basis of sustainability reporting and this has enhanced our corporate sustainability disclosure.					

## Section E: Level of Corporate Sustainability Disclosure

The table below outlines various indicators of sustainability disclosure. Based on the activities being undertaken in your firm, kindly assign score as per the level of disclosure you deem your firm to be; **Very Poor Disclosure (1), Poor Disclosure (2), Moderate Disclosure (3), Good Disclosure (4), Very Good Disclosure (5).**

<b>Sustainability Reporting Disclosure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Economic Indicators</b>					
Employee wages and benefits					
payment to capital providers					
Government payment					
Investment on community needs					
Risk and return posed by climatic changes '					
Financial implications due to climatic changes					
Cost measures to manage climatic changes					
Value of defined contribution plans					
Government subsidies					
Goods and services contributed by local suppliers					
<b>Environmental Indicators</b>					
Energy sources from fossil and renewable sources					
Recycling of raw materials					
Fuel sources and costs					
Energy conservation measures					
Water used and recycled					
Total greenhouse emissions					
Amount and procedure of discharging water					
Waste products and procedures					
Cost on environmental protection					
Clients environment management evaluation					
Suppliers environmental management evaluation					
<b>Social Indicators</b>					
Employees cumulative benefits					
Occupation health and safety measures in place					
Proportion of women in board of directors					
Community participation in organization plans					
Community development programs					
Level of political participation '					
Potential negative impact from the society					
Suppliers and customers subjected on community needs					
<b>Governance Indicators</b>					

Governance composition and structure					
Competencies of board members					
Tenure of board directors					
Significant position held by board members					
Chief executive duality					
Stakeholders representation					
Disclosure on multiple directorships					
Presence of sustainability disclosure committee					
Role of board of directors in economic, environmental and social management					
Disclosure on remuneration of board of directors					
Integrity access mechanism in an organization					
Presence of whistle blowing strategies in an organization					

**THANK YOU FOR YOUR PARTICIPATION.**



## Appendix IV: List of Firms in the Population

	<b>Taxpayer Name</b>	<b>Sector</b>
1	Safaricom	Telecommunication and Media
2	Kenya Power & Lighting Company Ltd	Energy
3	Total Kenya Limited	Energy
4	Kenya Airways Plc	Transport and Storage
5	Kenolkobil Limited	Energy
6	Vivo Energy Kenya Limited	Energy
7	Gapco Kenya Limited	Energy
8	China Road & Bridge Corporation Kenya	Construction
9	Pevans East Africa Limited	Betting and Gaming
10	Gulf Energy Limited	Energy
11	Equity Bank (Kenya) Limited	Banks
12	Kenya Ports Authority	Transport and Storage
13	KCB Bank Kenya Limited	Banks
14	Kenya Breweries Limited	Domestic Excise
15	Gamcode Limited	Betting and Gaming
16	Kenya Electricity Generating Company Limited	Energy
17	Libya Oil Kenya Limited	Energy
18	National Oil Corporation of Kenya Limited	Energy
19	Galana Oil Kenya Limited	Energy
20	The Co-Operative Bank of Kenya Limited	Banks
21	Standard Chartered Bank (K) Ltd	Banks
22	Bamburi Portland Cement Co. Ltd	Construction
23	Kenya Pipeline Company Limited	Energy
24	Cargill Kenya Limited	Agriculture
25	Hashi Energy Limited	Energy
26	British American Tobacco Kenya Plc	Domestic Excise
27	Barclays Bank of Kenya Limited	Banks
28	Commercial Bank of Africa Limited	Banks
29	Toyota Kenya Limited	Transport and Storage
30	Stanbic Bank Kenya Limited	Banks
31	Brookside Dairy Ltd	Agriculture
32	I & M Bank Limited	Banks
33	Isuzu East Africa Limited	Transport and Storage
34	Kapa Oil Refineries Ltd	Food Manufacturers
35	Louis Dreyfus Company Kenya Limited	Agriculture
36	Oryx Energies Kenya Limited	Energy

37	Hass Petroleum (K) Limited	Energy
38	Nakumatt Holdings Limited	Wholesalers
39	Bidco Africa Limited	Food Manufacturers
40	Mabati Rolling Mills Limited	Construction
41	Pwani Oil Products Ltd	Food Manufacturers
42	Airtel Networks Kenya Limited	Telecommunication and Media
43	Pembe Flour Mills Limited	Food Manufacturers
44	Kuehne & Nagel Limited	Transport and Storage
45	Kenya Commercial Bank Ltd	Banks
46	Unilever Kenya Limited	Domestic Excise
47	Bat Kenya Tobacco Company Limited	Domestic Excise
48	Nic Bank Limited	Banks
49	Kanini Haraka Enterprises Limited	Wholesalers
50	Mombasa Maize Millers Limited	Food Manufacturers
51	Mombasa Cement Limited	Construction
52	Udv (Kenya) Limited	Domestic Excise
53	Chai Trading Company Limited	Agriculture
54	Aga Khan Health Service Kenya	Services
55	Kenya Reinsurance Corporation	Insurance
56	Diamond Trust Bank Kenya Limited	Banks
57	Aspam Energy (Kenya) Limited	Energy
58	Vodafone Kenya Limited	Telecommunication and Media
59	Khetia Drapers Limited	Wholesalers
60	Base Titanium Limited	Oil Exploration & Mining
61	Corrugated Sheets Limited	Construction
62	Menengai Oil Refineries Limited	Food Manufacturers
63	Simba Corporation Limited	Transport and Storage
64	The Jubilee Insurance Company of Kenya Limited	Insurance
65	Kitui Flour Mills Limited	Food Manufacturers
66	Petro Oil Kenya Limited	Energy
67	Export Trading Company Limited	Transport and Storage
68	National Bank of Kenya Ltd	Banks
69	James Finlay Mombasa Limited	Agriculture
70	Family Bank Limited	Banks
71	Vivo Energy East Africa Limited	Energy
72	James Finlay (Kenya) Limited	Agriculture
73	Apex Steel Limited	Construction
74	Unga Limited	Food Manufacturers

75	Telkom Kenya Limited	Telecommunication and Media
76	Huawei Technologies (Kenya) Company Limited	Telecommunication and Media
77	Nairobi Bottlers Ltd	Domestic Excise
78	China Wu Yi Company Limited	Construction
79	Hasbah Kenya Limited	Wholesalers
80	Delmonte Kenya Limited	Domestic Excise
81	Lab International Kenya Limited	Agriculture
82	Mini Bakeries (Nairobi) Limited	Food Manufacturers
83	United Miller Limited	Food Manufacturers
84	Vestas Eastern Africa Limited	Energy
85	Be Energy Limited	Energy
86	Athi River Mining Ltd	Construction
87	Mgs International (K) Limited	Energy
88	Britam Life Assurance Company (Kenya) Limited	Insurance
89	Multiple Hauliers (E.A) Limited	Transport and Storage
90	Toyota Tsusho East Africa Limited	Transport and Storage
91	Cic General Insurance Limited	Insurance
92	Nation Media Group Limited	Telecommunication and Media
93	Farmers Choice Ltd	Food Manufacturers
94	Naivas Limited	Wholesalers
95	New Kenya Co-Operative Creameries Limited	Agriculture
96	Engen Kenya Limited	Energy
97	One Petroleum Limited	Energy
98	Savannah Cement Limited	Construction
99	Unga Farm Care (Ea) Limited	Food Manufacturers
100	Benchmark Distributors Limited	Wholesalers
101	Kenya Airports Authority	Transport and Storage
102	Devki Steel Mills Limited	Construction
103	Britam General Insurance Company Kenya Limited	Insurance
104	Bata Shoe Company (Kenya) Limited	Other Manufacturers
105	The East African Portland Cement Limited	Construction
106	Uzuri Foods Limited	Food Manufacturers
107	Kenafic Industries Limited	Food Manufacturers
108	Flamingo Horticulture Kenya Limited	Agriculture
109	G4s Kenya Limited	Services
110	Vivo Energy Malindi Limited	Energy

11 1	Githunguri Diary Farm Cs Ltd.	Agriculture
11 2	Mega Wholesalers	Wholesalers
11 3	Devchand Keshavji (Kenya) Limited	Agriculture
11 4	Car And General (Trading) Limited	Transport and Storage
11 5	Fossil Fuels Limited	Energy
11 6	Tata Chemicals Magadi Limited	Other Manufacturers
11 7	Nestle Kenya Limited	Food Manufacturers
11 8	National Cement Company Limited	Construction
11 9	Peter Mulei and Sons	Wholesalers
12 0	Laxmanbhai Construction Limited	Construction
12 1	Dalbit Petroleum Ltd	Energy
12 2	Ge East Africa Services Limited	Services
12 3	Uap Insurance Company Limited	Insurance
12 4	Apa Insurance Limited	Insurance
12 5	Amiran Kenya Limited	Agriculture
12 6	Tuffsteel Limited	Construction
12 7	African Gas and Oil Company Limited	Energy
12 8	Hydery (P) Limited	Wholesalers
12 9	Maisha Mabati Mills Limited	Construction
13 0	Tosha Petroleum (Kenya) Limited	Energy
13 1	Tata Africa Holdings (Kenya) Limited	Transport and Storage
13 2	Kenya Women Microfinance Bank Limited	Banks
13 3	Elgon Kenya Limited	Domestic Excise
13 4	Outlook Limited	Wholesalers
13 5	Bank of Africa Kenya Limited	Banks
13 6	Shell and Vivo Lubricants Kenya Limited	Energy
13 7	Autoexpress Limited	Transport and Storage
13 8	Ouru Super Stores Limited	Wholesalers
13 9	Uchumi Supermarket Ltd	Wholesalers
14 0	Bharti Airtel International Netherlands	Telecommunication and Media
14 1	Eabl International Limited	Domestic Excise
14 2	Eldoret Grains Limited	Food Manufacturers
14 3	Gilanis Supermarket Limited	Wholesalers
14 4	Davis & Shirtliff Limited	Construction

14 5	Capwell Industries Limited	Food Manufacturers
14 6	Eastern Produce Kenya Limited	Agriculture
14 7	Bank Of Baroda (Kenya) Limited	Banks
14 8	Yara East Africa Limited	Agriculture
14 9	Crown Petroleum (Kenya) Limited	Energy
15 0	Vegpro Kenya Limited	Agriculture
15 1	Tile and Carpet Centre Limited	Construction
15 2	Unilever Tea Kenya Limited	Agriculture
15 3	The Copy Cat Limited	Telecommunication and Media
15 4	Five Star Agencies Limited	Wholesalers
15 5	Doshi & Company (Hardware) Limited	Construction
15 6	Sinohydro Corporation Limited	Construction
15 7	Associated Steel Limited	Construction
15 8	Kenchic Limited	Agriculture
15 9	Iber Africa Power (E.A) Limited	Energy
16 0	Chandarana Supermarket Limited	Wholesalers
16 1	Zakhem International Construction Limited	Construction
16 2	Hfc Limited	Banks
16 3	Icea Lion General Insurance Company Limited	Insurance
16 4	H. Young & Company (East Africa) Limited	Construction
16 5	Riva Petroleum Dealers Limited	Energy
16 6	West Kenya Sugar Company Limited	Agriculture
16 7	London Distillers Kenya Limited	Domestic Excise
16 8	Butali Sugar Mills Limited	Agriculture
16 9	Ibm East Africa Limited	Telecommunication and Media
17 0	Kenya Kazi Services Limited	Services
17 1	Equator Bottlers Limited	Domestic Excise
17 2	Spedag Interfreight Kenya Limited	Transport and Storage
17 3	Madison Insurance Company Kenya Limited	Insurance
17 4	Masai (K) Ltd	Construction
17 5	Surgipharm Limited	Food Manufacturers
17 6	D.T Dobie & Co. (Kenya) Limited	Transport and Storage
17 7	Auto Industries Limited	Other Manufacturers

17 8	Wananchi Group (Kenya) Limited	Telecommunication and Media
17 9	Mwalimu Co-Op Sav & Cr Ltd.	Banks
18 0	China National Aero-Technology International Engineering Corporation	Construction
18 1	Chase Bank (Kenya) Limited	Banks
18 2	Basco Products (K) Ltd	Other Manufacturers
18 3	Hot Point Appliances Limited	Wholesalers
18 4	Kenya Seed Company Limited	Agriculture
18 5	Transmara Sugar Company Limited	Agriculture
18 6	Tristar Transport Limited	Transport and Storage
18 7	Associated Battery Manufactures East Africa Limited	Other Manufacturers
18 8	Kibos Sugar and Allied Industries Limited	Agriculture
18 9	Mumias Sugar Company Ltd	Agriculture
19 0	Scooby Enterprises Limited	Wholesalers
19 1	Mt Kenya University	Services
19 2	Kencor Petroleum Limited	Energy
19 3	Air Connection Limited	Transport and Storage
19 4	Crown Paints Kenya Plc	Other Manufacturers
19 5	Nas Airport Services Ltd	Services
19 6	South Nyanza Sugar Company Limited	Agriculture
19 7	Sanlam Life Insurance Limited	Insurance
19 8	Bank of India	Banks
19 9	Oracle Technology Systems (Kenya) Limited	Telecommunication and Media
20 0	Edible Oil Products Limited	Food Manufacturers
20 1	Ramji Haribhai Devani Limited	Energy
20 2	Pioneer Assurance Company Limited	Insurance
20 3	Icea Lion Life Assurance Company Limited	Insurance
20 4	Freightwings Limited	Transport and Storage
20 5	Kenya Wine Agencies Limited	Domestic Excise
20 6	Tetra Pak Limited	Other Manufacturers
20 7	Bliss Gvs Healthcare Limited	Services
20 8	Financial Sector Deepening Trust (Kenya)	Banks
20 9	Jubilee Jumbo Hardware Limited	Construction
21 0	Van Rees Kenya Limited	Agriculture

21	1	Turkish Airlines Incorporation	Transport and Storage
21	2	M J Clarke Limited	Agriculture
21	3	Aar Insurance Kenya Limited	Insurance
21	4	Prima Ateel Mills Limited	Construction
21	5	United Aryan (Epz) Limited	Other Manufacturers
21	6	Kenya Towers Limited	Telecommunication and Media
21	7	Ainushamsi Energy Limited	Energy
21	8	Giloil Company Limited	Food Manufacturers
21	9	Foam Mattress Limited	Other Manufacturers
22	0	EpcO Builders Limited	Construction
22	1	The Cooper Motor Corporation (Kenya) Limited	Transport and Storage
22	2	Insteel Limited	Construction
22	3	Chandaria Industries Limited	Other Manufacturers
22	4	Resolution Insurance Company Limited	Insurance
22	5	Supaflo Flour Mills Limited	Food Manufacturers
22	6	Kenya Maltings Limited	Domestic Excise
22	7	Frig-O-Ken Limited	Agriculture
22	8	Clean Shelf Supermarkets Limited	Wholesalers
22	9	Kitale Industries Limited	Food Manufacturers
23	0	De La Rue Currency and Security Print Limited	Other Manufacturers
23	1	Stecol Corporation	Construction
23	2	Mantrac Kenya Limited	Transport and Storage
23	3	Zhongmei Engineering Group Limited	Construction
23	4	Kongoni River Farm Limited	Agriculture
23	5	East Africa Reinsurance Company Limited	Insurance
23	6	Bakex Millers Limited	Food Manufacturers
23	7	Chloride Exide Kenya Limited	Other Manufacturers
23	8	Simbisa Brands Kenya Limited	Services
23	9	Alliance One Tobacco Kenyan Limited	Domestic Excise
24	0	Comply Industries Limited	Other Manufacturers
24	1	Bayer East Africa Limited	Other Manufacturers
24	2	Ishano Distributors Limited	Wholesalers
24	3	East African Sea Food Limited	Agriculture
24	4	New Generation Self Service Store Limited	Wholesalers

24 5	Bunson Travel Service Limited	Services
24 6	Housemart Co Limited	Wholesalers
24 7	The Standard Group Limited	Telecommunication and Media
24 8	Abyssinia Iron and Steel Limited	Construction
24 9	Ashut Engineers Ltd	Domestic Excise
25 0	Twiga Stationers and Printers Limited	Other Manufacturers
25 1	Tarmal Wire Products Limited	Construction
25 2	Scania East Africa Limited	Transport and Storage
25 3	Meru Central Dairy Co-Op Union Ltd	Banks
25 4	Lalji Ramji Filling Station Limited	Energy
25 5	Prime Bank Limited	Banks
25 6	Krystalline Salt Limited	Food Manufacturers
25 7	Pramukh Cash and Carry Limited	Wholesalers
25 8	Ecobank Kenya Limited	Banks
25 9	The Wrigley Company (East Africa) Limited	Food Manufacturers
26 0	Bhachu Industries Ltd	Transport and Storage
26 1	Dpl Festive Limited	Food Manufacturers
26 2	Bobmil Industries Ltd	Domestic Excise
26 3	Glaxosmithkline Limited	Food Manufacturers
26 4	Alpha Grain Millers Limited	Food Manufacturers
26 5	Somo Commodities Limited	Wholesalers
26 6	Kenpoly Manufacturers Limited	Domestic Excise
26 7	Alpharama Limited	Other Manufacturers
26 8	Timsales Limited	Other Manufacturers
26 9	M'big Limited	Wholesalers
27 0	M-Kopa Kenya Limited	Telecommunication and Media
27 1	Kabansora Millers Limited	Food Manufacturers
27 2	Nokia Solutions and Networks Branch Operations Oy	Telecommunication and Media
27 3	Ga Insurance Limited	Insurance
27 4	East African Gasoil Limited	Energy
27 5	Rwathia Distributors Limited	Wholesalers
27 6	Seyani Brothers & Company Limited	Construction
27 7	Gotv Kenya Limited	Telecommunication and Media

27 8	Texplast Industries Limited	Other Manufacturers
27 9	Tumaini Self Service Limited	Wholesalers
28 0	Tsavo Power Company Limited	Energy
28 1	First Assurance Company Limited	Insurance
28 2	New Adatia Wholesalers Ltd	Wholesalers
28 3	Quick Mart Limited	Wholesalers
28 4	Style Industries Limited	Other Manufacturers
28 5	Jambojet Limited	Transport and Storage
28 6	Metal Crowns Limited	Other Manufacturers
28 7	Toyo Construction Co. Ltd	Construction
28 8	Kevian Kenya Limited	Domestic Excise
28 9	Quadco Forty-Four Limited Limited	Energy
29 0	Nairobi Java House Limited	Services
29 1	Almasi Bottlers Limited	Domestic Excise
29 2	Directline Assurance Company Limited	Insurance
29 3	Metsec Cables Limited	Construction
29 4	Majid Al Futtaim Hypermarkets Limited	Wholesalers
29 5	Gulf African Bank Limited	Banks
29 6	Mathai Supermarkets Limited	Wholesalers
29 7	Bollore Transport & Logistics Kenya Limited	Transport and Storage
29 8	Five Fourty Aviation Limited	Transport and Storage
29 9	Mjengo Limited	Wholesalers
30 0	Banoda Oil Limited	Energy
30 1	East African Breweries Limited	Domestic Excise
30 2	Sojpar Limited	Wholesalers
30 3	China Jiangxi International Kenya Limited	Construction
30 4	Civicon Limited	Construction
30 5	Rai Plywoods (Kenya) Limited	Other Manufacturers
30 6	The Third Engineering Bureau Of China City Construction Group Co.Limited	Construction
30 7	Rift Valey Bottlers Limited	Domestic Excise
30 8	Tononoka Steels Limited	Construction
30 9	Tononoka Rolling Mills Limited	Construction
31 0	Colgate - Palmolive (East Africa) Limited	Domestic Excise
31 1	Umoja Rubber Products Limited	Other Manufacturers

31 2	Accurate Steel Mills Limited	Construction
31 3	Quality Meat Packers Limited	Agriculture
31 4	Blowplast Limited	Domestic Excise
31 5	Mastermind Tobacco (K) Limited	Domestic Excise
31 6	Laborex Kenya Limited	Food Manufacturers
31 7	Kenya Police Co-Op Sav & Cr Lt	Banks
31 8	Kenya Coach Industries Limited	Transport and Storage
31 9	Kenya Nut Company Limited	Agriculture
32 0	Redington Kenya Limited	Telecommunication and Media
32 1	Scanad Kenya Limited	Telecommunication and Media
32 2	Rift Valley Railways	Transport and Storage
32 3	Desbro Kenya Limited	Agriculture
32 4	Syngenta East Africa Limited	Food Manufacturers
32 5	Guaranty Trust Bank (Kenya) Ltd	Banks
32 6	Development Alternatives Inc.	Services
32 7	African Banking Corporation Limited	Banks
32 8	Central Auto and Hardware Limited	Construction
32 9	Multichoice Kenya Limited	Telecommunication and Media
33 0	The Social Service League	Services
33 1	Diamond Wholesalers Limited	Wholesalers
33 2	Mission for Essential Drugs and Supplies (Meds)	Food Manufacturers
33 3	Spinners & Spinners Limited	Other Manufacturers
33 4	Mckinsey And Company Inc Africa Proprietary Ltd	Services
33 5	Hypemart Limited	Wholesalers
33 6	East African Cables Limited	Other Manufacturers
33 7	Mitsumi Computer Garage Limited	Telecommunication and Media
33 8	Oserian Development Company Limited	Agriculture
33 9	Steel Makers Limited	Construction
34 0	Netco Management	Energy
34 1	Africa Apparels Epz Limited	Other Manufacturers
34 2	Mombasa Maize Millers Kisumu Limited	Food Manufacturers
34 3	Faulu Microfinance Bank Limited	Banks
34 4	Mafuko Industries Limited	Food Manufacturers

34 5	Africa Merchant Assurance Company Limited	Insurance
34 6	Aaa Growers Limited	Agriculture
34 7	Packaging Industries Limited	Domestic Excise
34 8	Krones Lcs Centre East Africa Limited	Services
34 9	Kamili Packers Limited	Food Manufacturers
35 0	Royal Energy (K)Limited	Energy
35 1	Kimberly-Clark East Africa Limited	Other Manufacturers
35 2	Naushad Trading Company Limited	Wholesalers
35 3	Diamond Industries Limited	Other Manufacturers
35 4	Jumra Limited	Wholesalers
35 5	Kakuzi Plc	Agriculture
35 6	Erdeman Property	Construction
35 7	Kaluworks Limited	Other Manufacturers
35 8	Ayoti Distributors Limited	Wholesalers
35 9	Veew Distributors Limited	Wholesalers
36 0	Gulf Power Limited	Energy
36 1	Taylor Winch (Coffee) Limited	Agriculture
36 2	Link Up Services Limited	Other Manufacturers
36 3	Motrex Limited	Transport and Storage
36 4	Landmark Holdings Limited	Construction
36 5	Allpack Industries Limited	Other Manufacturers
36 6	Ocean Distributors Limited	Wholesalers
36 7	Kingsway Tyres Limited	Transport and Storage
36 8	Majestic Petroleum Enterprises and General Merchandise Limited	Energy
36 9	Ray Stores Limited	Wholesalers
37 0	Sidian Bank Limited	Banks
37 1	Olympic Petroleum Limited	Energy
37 2	Kericho Wholesalers Limited	Wholesalers
37 3	Excel Chemicals Limited	Domestic Excise
37 4	Eastleigh Mattresses Limited	Wholesalers
37 5	Price-water house coopers Limited	Services
37 6	Shop and Deliver Limited	Betting and Gaming
37 7	East African Packaging Industries Limited	Domestic Excise
37 8	Sukari Industries Limited	Agriculture

37 9	Grain Bulk Handlers Limited	Food Manufacturers
38 0	Kenya Tea Packers Limited	Agriculture
38 1	Pz Cussons East Africa Limited	Domestic Excise
38 2	Mt Kenya Beer Distribution Limited	Wholesalers
38 3	Broadway Bakery Limited	Food Manufacturers
38 4	Astrol Petroleum Company Limited	Energy
38 5	Keitt Exporters Limited	Agriculture
38 6	Somochem Kenya Limited	Food Manufacturers
38 7	Coastal Bottlers Limited	Domestic Excise
38 8	S.S Mehta And Sons Limited	Construction
38 9	Transafrica Motors Limited	Transport and Storage
39 0	Wells Fargo Limited	Services
39 1	Kisii Bottlers Limited	Domestic Excise
39 2	Citibank N.A.	Banks
39 3	Juma Hardware Store Limited	Construction
39 4	Samsung Electronics East Africa Limited	Telecommunication and Media
39 5	Tourism Promotion Services (Kenya) Limited	Services
39 6	Trillvane Limited	Agriculture
39 7	Bowip Agencies Limited	Wholesalers
39 8	Samsutech Corporation Limited	Telecommunication and Media
39 9	Solvochem East Africa Limited	Energy
40 0	Housing Finance Company of Kenya Limited	Banks
40 1	African Cargo Handling Limited	Transport and Storage
40 2	Kamahuha Limited	Wholesalers
40 3	Wartsila Eastern Africa Limited	Energy
40 4	Luqman Petroleum Limited	Energy
40 5	Mufindi Paper Limited	Other Manufacturers
40 6	Text Book Centre Limited	Other Manufacturers
40 7	Osho Chemical Industries Limited	Food Manufacturers
40 8	Norbrook Kenya Limited	Agriculture
40 9	B. N. Kotecha And Sons Limited	Wholesalers
41 0	Sameer Africa Limited	Transport and Storage
41 1	Accesskenya Limited	Telecommunication and Media

41 2	Kenya Horticultural Exporters (1977) Limited	Agriculture
41 3	Kenya Orient Insurance Co Limited	Insurance
41 4	Rentco East Africa Limited	Other Manufacturers
41 5	Dynamic Petroleum Investments Limited	Energy
41 6	Brand Limited	Wholesalers
41 7	M Pesa Holding Co Limited	Telecommunication and Media
41 8	Gulsan Insaat Sanayi,Turizm,Nakliyat Ve Ticaret Anonim Sirketi	Oil Exploration & Mining
41 9	Dorman & Heddon Smith Limited	Services
42 0	Mc Neel Millers Limited	Food Manufacturers
42 1	Medisel (Kenya) Limited	Food Manufacturers
42 2	Sgs Kenya Ltd	Services
42 3	Regnol Oil (K) Limited	Energy
42 4	Transchem Pharmaceuticals Limited	Food Manufacturers
42 5	Mzuri Sweets Limited	Food Manufacturers
42 6	Wpp Scangroup Limited	Telecommunication and Media
42 7	Kentons Limited	Food Manufacturers
42 8	Magnate Ventures Limited	Telecommunication and Media
42 9	Ssoe (Kenya) Limited	Other Manufacturers
43 0	Shiva Mombasa Limited	Wholesalers
43 1	King Plastic Industries Ltd	Domestic Excise
43 2	Wow Beverages Limited	Domestic Excise
43 3	Family Health International	Services
43 4	Steel Centre Limited	Construction
43 5	Southern Engineering Company Limited	Construction
43 6	British American Tobacco Area Limited	Domestic Excise
43 7	Mobile Decisioning Africa Limited	Telecommunication and Media
43 8	Microsoft East Africa Ltd	Telecommunication and Media
43 9	Kansai Plascon Kenya Limited	Other Manufacturers
44 0	Carton Manufacturers Limited	Domestic Excise
44 1	Export Trading Company Inputs Kenya Limited	Wholesalers
44 2	Ryce Motors Limited	Transport and Storage
44 3	Ericsson Kenya Limited	Telecommunication and Media

44 4	Capital Reef Kenya Limited	Services
44 5	Mt Kenya Tobacco Stores Limited	Wholesalers
44 6	Super Foam Limited	Domestic Excise
44 7	Karirana Estate Limited	Agriculture
44 8	Futures Energy Company Limited	Energy
44 9	Orbit Chemical Industries Limited	Domestic Excise
45 0	Karsan Ramji and Sons Limited	Construction
45 1	Agility Logistics Limited	Transport and Storage
45 2	General Printers Limited	Other Manufacturers
45 3	Africa Spirits Limited	Domestic Excise
45 4	Yako Supermarket (K)Limited	Wholesalers
45 5	Als Limited	Transport and Storage
45 6	Dawa Limited	Food Manufacturers
45 7	Mea Limited	Agriculture
45 8	Mfi Document Solutions Limited	Telecommunication and Media
45 9	Trojan International Limited	Energy
46 0	Two Rivers Development Limited	Construction
46 1	Nic Bank Kenya Plc	Banks
46 2	Polythene Industries Limited	Domestic Excise
46 3	Geothermal Development Company Limited	Energy
46 4	Summer Distributors Limited	Wholesalers
46 5	Khetia Garments Limited	Wholesalers
46 6	Beiersdorf East Africa Limited	Domestic Excise
46 7	Zetort Communications Limited	Telecommunication and Media
46 8	Kipkebe Limited	Agriculture
46 9	Jilao Company Limited	Services
47 0	Postal Corporation of Kenya	Telecommunication and Media
47 1	Fones Direct Limited	Telecommunication and Media
47 2	Schneider Electric (Kenya) Limited	Other Manufacturers
47 3	Aga Khan Foundation Limited	Services
47 4	Rafiki Millers Limited	Food Manufacturers
47 5	Mombasa Tamasha Distributors Company Limited	Wholesalers
47 6	Ktda Management Services Limited	Agriculture

47 7	Kenblest Limited	Food Manufacturers
47 8	Suman Shakti Epz Limited	Other Manufacturers
47 9	Laare Kamukunji Stores Limited	Wholesalers
48 0	Beta Healthcare International Limited	Food Manufacturers
48 1	Sarova Hotels Ltd	Services
48 2	Bestly Cosmetics Limited	Wholesalers
48 3	S. C. Johnson & Son Kenya Limited	Domestic Excise
48 4	Kec International Limited	Energy
48 5	Nixomb Limited	Energy
48 6	Mitchell Cotts Freight (K) Ltd	Transport and Storage
48 7	Dhl Exel Supply Chain Kenya Limited	Transport and Storage
48 8	Program For Appropriate Technology In Health	Services
48 9	Deacons (East Africa) Plc	Wholesalers
49 0	Kamindi Selfridges (Supermarkets) Limited	Wholesalers
49 1	China Petroleum Pipeline Engineering Company Limited	Energy
49 2	Jamii Telecommunications Limited	Telecommunication and Media
49 3	Coca-Cola Africa Limited	Domestic Excise
49 4	Steel Structures Limited	Construction
49 5	Nairobi Plastics Ltd	Domestic Excise
49 6	Towba Petroleum Company Limited	Energy
49 7	Raisons Distributors Limited	Wholesalers
49 8	Kaned Agencies Limited	Telecommunication and Media
49 9	Moledina Enterprises Limited	Energy
50 0	Summer Merchandise Limited	Wholesalers
50 1	Acme Containers Ltd	Domestic Excise
50 2	Shakab Imports Exports Company Limited	Agriculture
50 3	Phillips Pharmaceuticals Limited	Food Manufacturers
50 4	Guardian Bank Limited	Banks
50 5	Kinangop Dairy Limited	Agriculture
50 6	Sameer Agriculture & Livestock (Kenya) Limited	Agriculture
50 7	Paradise Safari Park Limited	Services
50 8	Ashok Leyland Limited	Transport and Storage
50 9	Nairobi West Nursing Home Limited	Services

51 0	Glaxosmithkline Pharmaceutical Kenya Limited	Food Manufacturers
51 1	Ogilvy Africa Limited	Telecommunication and Media
51 2	Henkel Kenya Limited	Other Manufacturers
51 3	Haco Tiger Brands (E.A) Limited	Domestic Excise
51 4	Consol Glass Kenya Limited	Domestic Excise
51 5	Pekay Brothers Limited	Wholesalers
51 6	Rods & Steel Limited	Wholesalers
51 7	Twiga Chemical Industries Limited	Food Manufacturers
51 8	New Wide Garments (K) Epz Limited	Other Manufacturers
51 9	Zenko Kenya Limited	Food Manufacturers
52 0	Amritlal Sojpar Shah Wholesalers Limited	Wholesalers
52 1	Mshale Commodities Limited	Wholesalers
52 2	Nails & Steel Products Limited	Construction
52 3	Metro Plastics (Kenya) Limited	Domestic Excise
52 4	Phone Link Limited	Telecommunication and Media
52 5	Digital Link Limited	Telecommunication and Media
52 6	Jamii Bora Bank Limited	Banks
52 7	Sibed Transport Company Limited	Transport and Storage
52 8	Gerishon Kibugi Kamuri And Sons Limited	Wholesalers
52 9	Ramco Printing Works Limited	Other Manufacturers
53 0	Aig Kenya Insurance Company Limited	Insurance
53 1	Nzoia Sugar Company Limited	Agriculture
53 2	Nabico Enterprises Limited	Wholesalers
53 3	Summer Africa Limited	Wholesalers
53 4	Agventure Limited	Other Manufacturers
53 5	Parbat Siyani Construction Ltd	Construction
53 6	R. T. (East Africa) Ltd	Transport and Storage
53 7	Achelis Material Handling Limited	Wholesalers
53 8	Nyahururu Budget Store Limited	Wholesalers
53 9	Occidental Insurance Company Limited	Insurance
54 0	Crown Beverages Limited	Domestic Excise
54 1	Oilcom (K) Limited	Energy
54 2	Intercontinental Hotels Corp Ltd	Services

54 3	Tsusho Capital Kenya Limited	Wholesalers
54 4	Subati Group Limited	Agriculture
54 5	Universal Parentals Limited	Food Manufacturers
54 6	Wamuti Distributors Limited	Wholesalers
54 7	Consolbase Limited	Transport and Storage
54 8	King's Wear Ltd	Wholesalers
54 9	Transeast Limited	Oil Exploration & Mining
55 0	Kenya General Industries Limited	Other Manufacturers
55 1	Thika Power Limited	Energy
55 2	Matolo Distributors Limited	Wholesalers
55 3	Liquid Telecommunications Kenya Limited	Telecommunication and Media
55 4	The Heritage Insurance Company Limited	Insurance
55 5	Summer Limited	Wholesalers
55 6	Agro-Chemical & Food Company Limited	Domestic Excise
55 7	Consolidated Bank of Kenya Limited	Banks
55 8	Bamburi Special Products Limited	Construction
55 9	Multiple Solutions Limited	Transport and Storage
56 0	Crown Solutions Limited	Food Manufacturers
56 1	Sbi International Holdings Ag	Construction
56 2	Development Bank of Kenya Limited	Banks
56 3	Cellular Service Logistics Limited	Telecommunication and Media
56 4	Sybyl Kenya Limited	Telecommunication and Media
56 5	Lomas & Lomas Limited	Wholesalers
56 6	Swissport Kenya Limited	Transport and Storage
56 7	Airkenya Express Limited	Transport and Storage
56 8	Laneeb Limited	Domestic Excise
56 9	Classic Iron Mongers Limited	Construction
57 0	Master Power Systems Limited	Energy
57 1	China Communications Construction Company Limited	Construction
57 2	Nila Pharmaceuticals Limited	Food Manufacturers
57 3	Stansand Africa Limited	Agriculture
57 4	G. H. Tanna And Sons Limited	Wholesalers
57 5	Timaflor Limited	Agriculture

57 6	Dhl Global Forwarding K Ltd	Transport and Storage
57 7	Victoria Commercial Bank Limited	Banks
57 8	Abbas Traders Limited	Agriculture
57 9	Manji Food Industries Limited	Food Manufacturers
58 0	Al-Emir Limited	Agriculture
58 1	Cadbury Schweppes Kenya Limited	Food Manufacturers
58 2	Ahmed Noormohamed Issak Hardwares Limited	Construction
58 3	Beekay Suppliers	Wholesalers
58 4	East African Safari Air Express Limited	Transport and Storage
58 5	Dola Petroleum (K) Limited	Energy
58 6	China Overseas Engineering Group Co. Ltd	Construction
58 7	Kuverji Govind Patel Limited	Construction
58 8	Siginon Group Limited	Transport and Storage
58 9	Eldomatt Supermaket Limited	Wholesalers
59 0	Habib Bank Ag Zurich	Banks
59 1	Central Farmers Garage Limited	Transport and Storage
59 2	The Sotik Tea Company Limited	Agriculture
59 3	Ecta (Kenya) Limited	Wholesalers
59 4	Silpack Industries Limited	Domestic Excise
59 5	Bill Investments Limited	Energy
59 6	Fidelity Insurance Company Limited	Insurance
59 7	Art Caffe Coffe & Bakery Limited	Services
59 8	Dac Aviation (K) Limited	Transport and Storage
59 9	Eedi Kenya Limited	Wholesalers
60 0	Nampak Kenya Limited	Other Manufacturers
60 1	Express Shipping and Logistics (Ea) Limited	Transport and Storage
60 2	Acceler Global Logistics Limited	Transport and Storage
60 3	Tej Steel Limited	Construction
60 4	Blue Nile Rolling Mills Limited	Construction
60 5	Nanchang Foreign Engineering Company (Kenya) Limited	Construction
60 6	Liaison Group (Insurance Brokers) Limited	Insurance
60 7	Kenya Tea Development Agency Holdings Limited	Agriculture
60 8	Freight in Time Limited	Transport and Storage
60 9	Sichuan Huashi Enterprises Corporation Ea Limited	Construction

61 0	Mt. Elgon Orchards Limited	Agriculture
61 1	Mombasa Apparels (Epz) Limited	Other Manufacturers
61 2	The Metal Merchants Limited	Wholesalers
61 3	Gachanja Muhoro And Sons Limited	Wholesalers
61 4	Van Den Berg (Kenya) Limited	Agriculture
61 5	Sai Pharmaceuticals Limited	Food Manufacturers
61 6	P.N. Mashru Limited	Transport and Storage
61 7	Nyanza Sugar and Produce Limited	Wholesalers
61 8	Nairobi Flour Mills Limited	Food Manufacturers
61 9	Invesco Assurance Company Limited	Insurance
62 0	Bia Tosha Distributors Limited	Wholesalers
62 1	Ellams Products Limited	Other Manufacturers
62 2	Thames Electricals Limited	Wholesalers
62 3	Smart Autos Limited	Transport and Storage
62 4	Anwarali And Brothers Limited	Transport and Storage
62 5	Transfreight Logistics Limited	Transport and Storage
62 6	Continental Reinsurance Limited	Insurance
62 7	Sunflag Textile and Knitwear Mills Limited	Other Manufacturers
62 8	Eldohosp Pharmaceuticals Limited	Food Manufacturers
62 9	Krishna Chemists Limited	Food Manufacturers
63 0	Khetshi Dharamshi And Company Limited	Construction
63 1	Heller Petroleum Limited	Energy
63 2	Statpack Industries Limited	Other Manufacturers
63 3	Document Handling Kenya Limited	Transport and Storage
63 4	Laboratory and Allied Equipment Limited	Food Manufacturers
63 5	N.K Brothers Limited	Construction
63 6	Citadel Cellular Communications Limited	Telecommunication and Media
63 7	B.M. Security	Services
63 8	Wells Oil Limited	Energy
63 9	City Oil (K) Limited	Energy
64 0	Tai Enterprises Limited	Construction
64 1	Eldoret Packers Limited	Agriculture
64 2	Top Line Limited	Wholesalers
64 3	Centum Investment Company Limited	Banks

64 4	Lesphine Investments Limited	Wholesalers
64 5	Yh Wholesalers Limited	Wholesalers
64 6	Bluejay Limited	Betting and Gaming
64 7	Jaykay Enterprises Limited	Wholesalers
64 8	Supplies and Services Limited	Wholesalers
64 9	Alibhai Ramji Msa Limited	Agriculture
65 0	Daybreak Limited	Energy
65 1	Furniture Palace International (K) Limited	Other Manufacturers
65 2	Phoenix Aviation Limited	Transport and Storage
65 3	Blue Bird Aviation Limited	Transport and Storage
65 4	C & P Shoe Industries Limited	Other Manufacturers
65 5	Sbm Bank (Kenya) Limited	Banks
65 6	Diversey Eastern and Central Africa Limited	Services
65 7	Muhoroni Sugar Company Limited	Agriculture
65 8	Baker Hughes Eho Limited	Oil Exploration & Mining
65 9	Transpares (Kenya) Limited	Transport and Storage
66 0	Royal Media Services Limited	Telecommunication and Media
66 1	Trans-Mattresses Limited	Wholesalers
66 2	Paddy (K) Limited	Construction

