

GREEN FINANCING AND CORPORATE PERFORMANCE IN SOUTHEAST NIGERIA: AN APPRAISAL OF NIGERIAN BREWERIES PLC

Chinedu Callistus Onyia, PhD and Gabriel A. Anidiobu, PhD

Department of Banking and Finance, Faculty of Management Sciences, Enugu State University of Science and Technology (ESUT), Agbani, Nigeria

Corresponding Email: chinedu.onyia@esut.edu.ng

DOI: <https://doi.org/10.5281/zenodo.17417351>

Abstract

This study investigated the relationship between green financing and corporate performance in Southeast Nigeria, using Nigerian Breweries Plc as a case study. Specifically, leverage and activity ratios were examined as independent variables, while financial performance served as the dependent variable. A survey research design was employed, and data were gathered through a structured questionnaire comprising both multiple-choice and open-ended questions. The analysis was conducted using SPSS version 28.0, with Chi-square (χ^2) tests used to test the hypotheses. Findings revealed that leverage ratio had a statistically significant effect on financial performance, with a Chi-square value of 35.752 exceeding the critical value of 3.45. Similarly, the activity ratio showed a significant effect on financial performance, with a Chi-square value of 19.922, also above the critical threshold. Based on these findings, corporate organizations such as Nigeria Breweries are encouraged to incorporate green financing into their financial planning and decision-making processes. Optimizing the leverage structure can maximize financial performance while accounting for environmental impacts. Additionally, firms should actively invest in sustainable initiatives that enhance operational efficiency and overall profitability, aligning financial strategies with environmental responsibility.

Keywords: Green Financing, Corporate Performance, Sustainability, Leverage Ratio and Activity Ratio

1.1 Introduction

In recent years, there has been growing global concern about climate change and environmental sustainability. Corporate organizations are now expected to play an active role in supporting sustainable practices (OECD, 2020; United Nations, 2022). One important approach is green financing, which means providing funds for projects that are environmentally friendly and resource-efficient. This type of financing helps companies reduce their environmental impact while also improving long-term financial performance (World Bank, 2020; Zhang, et al., 2022).

Nigeria, like many developing economies, faces serious environmental problems such as pollution, climate change and resource depletion (Adeleye & Eboagu, 2019). The brewery industry contributes significantly to the country's economy through job creation, tax revenue and GDP growth (Nwachukwu &

Oseghale, 2021). For large firms like Nigerian Breweries Plc, adopting green financing is becoming important not only to meet regulations but also to improve

efficiency, reputation and competitiveness (Agyemang, et al., 2020).

Although green finance has been praised for its potential to support sustainable development, there is still limited evidence of how it affects the financial and operational performance of firms in developing countries (Wang & Zhi, 2016). This study therefore examines the link between green financing and corporate performance in Nigeria's brewery sector, highlighting its potential to reduce environmental risks while creating new opportunities for growth and innovation (OECD, 2020; Zhang et al., 2022).

The brewing sector in Southeast Nigeria occupies a strategic position at the intersection of financial sustainability, environmental responsibility, and economic development. In recent years, the adoption of green financing has emerged as a pivotal mechanism for aligning corporate operations with environmentally responsible practices (OECD, 2020; United Nations, 2022). Despite its growing importance, limited empirical research has been directed toward assessing the implications of green financing on corporate performance, particularly within the Nigerian context.

For firms such as Nigerian Breweries Plc, the integration of green financing raises critical questions regarding its influence on operational efficiency, resource utilization, waste management, and supply chain resilience (World Bank, 2020). These factors are central to both environmental stewardship and long-term competitiveness. However, there remains a gap in understanding how the adoption of green financing translates into measurable financial outcomes. Specifically, it is unclear how performance indicators such as leverage and activity ratios have been shaped by the adoption of green financing and whether these metrics show improvements when compared to pre-adoption benchmarks (Akinwale, 2022; Eze & Nwankwo, 2023). Addressing this gap forms the core research problem of this study.

Against this background, the main objective of the study is to investigate the effect of green financing on the performance of corporate organizations in Southeast Nigeria, using Nigerian Breweries Plc as a case study. In line with this overarching objective, two specific objectives are articulated. First, the study seeks to examine the effect of the leverage ratio on the financial performance of corporate organizations in Southeast Nigeria. Second, it aims to evaluate the effect of the activities ratio on the financial performance of corporate organizations in the region. These objectives are designed to provide clarity on the extent to which green financing interacts with key financial indicators to influence firm performance.

To achieve these objectives, the study advances two testable hypotheses. The first hypothesis proposes that leverage ratio has no significant positive effect on the financial performance of corporate organizations in Southeast Nigeria. This hypothesis arises from the need to test whether the level of debt financing relative to equity actually supports or undermines firm performance within the context of green financing adoption (Akinwale, 2022). Since leverage can both provide growth capital and increase financial risk, its net effect on firm outcomes remains uncertain in emerging economies such as Nigeria (Eze & Nwankwo, 2023).

The second hypothesis posits that the activities ratio has no significant positive effect on the financial performance of corporate organizations in Southeast Nigeria. Activities ratio, which captures operational efficiency in the utilization of resources, is central to evaluating whether green financing improves day-to-day processes such as inventory management, supply chain operations, and overall resource turnover (OECD, 2020; World Bank, 2020). Testing this relationship will help determine whether the integration of green financing translates into measurable gains in efficiency and profitability, or whether its benefits are primarily non-financial.

By addressing these objectives and hypotheses, this study seeks to contribute to the body of knowledge on sustainable finance, corporate governance, and performance evaluation in developing economies. The findings are expected to provide both theoretical insights and practical recommendations for corporate managers, policymakers, and stakeholders committed to promoting sustainable business practices in Nigeria.

2 Review of Related Literature

2.1 Green Finance

Green finance refers to financial activities that support environmental sustainability through investments, policies, and programs aimed at building a greener economy (Höhne, et al., 2012). It includes financing projects that protect biodiversity, improve water quality, reduce industrial pollution, and address other environmental challenges. Climate finance is often considered a part of green finance, focusing specifically on adaptation and mitigation. Adaptation finance involves investments that reduce the vulnerability of people and assets to climate change, while mitigation finance supports projects that lower or eliminate greenhouse gas emissions (Zadek & Flynn, 2013).

Although green finance and green investment are sometimes used interchangeably, the two concepts are not identical. Green finance covers a broader scope, including expenditures not always considered direct investments, such as project planning and land acquisition. These costs are often substantial and pose unique financial challenges (PricewaterhouseCoopers [PwC], 2013). In the banking industry, green finance also refers to financial services and products designed to promote environmental goals. This involves incorporating environmental considerations into loan approvals, monitoring processes, and risk management strategies (PwC, 2013).

Nannette (2014) further explained that green finance involves lending and investments that promote environmental sustainability. It requires financial institutions and businesses to apply environmental screening and risk assessments when making decisions, ensuring that projects align with sustainability goals. This approach encourages support for low-carbon technologies, industries, and enterprises. In recent years, financial institutions have increasingly recognized the importance of green finance, with obligations to adopt policies that support environmental sustainability (Akomea-Frimpong, 2021).

Green finance is widely regarded as an essential tool in combating climate change. By fostering sustainable financial systems, it contributes to the growth of green economies. The introduction of financial instruments such as green bonds and green loans has further supported this agenda, especially as governments alone have struggled to provide adequate policies to reduce carbon emissions (Akomea-Frimpong, 2021).

2.1.2 Corporate Performance

Corporate performance refers to the extent to which an organization achieves its strategic, operational, and financial objectives. Traditionally, performance has been measured through financial indicators such as profitability, return on assets, return on equity, and leverage ratios (Richard, Devinney, Yip, & Johnson, 2009). However, contemporary approaches to performance assessment also emphasize non-financial indicators, including innovation, customer satisfaction, employee welfare and environmental responsibility (Kaplan & Norton, 1996). This broader perspective reflects the growing recognition that long-term success depends not only on financial outcomes but also on the integration of sustainability and corporate social responsibility into business strategies (Eccles, et al., 2014).

In emerging economies such as Nigeria, corporate performance has become increasingly linked to sustainability practices. The adoption of environmentally friendly policies, responsible resource management, and community engagement are now considered critical drivers of both competitiveness and stakeholder trust (Uwuigbe, et al., 2018). Within this context, performance is no longer judged solely by financial gains but by the ability of organizations to balance profitability with long-term societal and environmental contributions.

Nigerian Breweries Plc provides a practical example of corporate performance in the Nigerian brewing sector. Established in 1946 as the country's first and largest brewing company, it operates several plants nationwide, including the Ama Brewery in Enugu State, which is one of the largest breweries in West Africa (Nigerian Breweries Plc, 2023). The company is renowned for producing leading brands such as Star Lager, Gulder, Malta, and Heineken, and it plays a central role in the economy of Southeast Nigeria by providing employment, supporting local supply chains, and contributing significantly to government revenues.

Beyond economic contributions, Nigerian Breweries has embedded corporate social responsibility and sustainability into its operations. The company has introduced initiatives on renewable energy adoption, waste reduction, water stewardship, and community development programs, aligning its operations with broader environmental and social goals (Nigerian Breweries Plc, 2023). These initiatives demonstrate how corporate performance in the Nigerian context extends beyond financial success to include sustainable practices that enhance long-term value creation for stakeholders.

Financial Leverage

Financial leverage refers to the extent to which a company uses borrowed funds to finance its business investments. The effectiveness of corporate governance can often be judged by how well debt capital is

utilized to generate returns (Gatsi, Gadzo, & Akoto, 2013). When a company applies loan capital wisely, the return on equity tends to increase, provided that the income generated is higher than the cost of financing (Abdul & Adelabu, 2015). However, firms must strike a proper balance between debt and equity to avoid excessive risk (Abubakar, et al., 2018).

Debt financing is often considered cheaper than equity due to its lower risk, but scholars disagree on the ideal level of leverage. For example, Ahmed, Awais, and Kashif (2018) argued that firms can benefit from a trade-off between the tax savings of interest expenses and the potential costs of bankruptcy. Conversely, Modigliani and Miller (1958) challenged the notion of an optimal level of leverage.

Determining the right mix of debt and equity remains one of the most important but challenging tasks for managers (Abdul & Adelabu, 2015). As Njeri and Kagiri (2013) noted, managers must constantly seek long-term financing strategies that maximize shareholder wealth. Financial leverage therefore measures how much of a firm's investments are financed through debt versus equity. A company without debt is considered "unleveraged" (100% equity), while a leveraged firm finances its operations with both debt and equity (Pandey, 2010).

Activity Ratios

Activity ratios, also called efficiency ratios, measure how effectively a company uses its resources to generate sales and cash flow. These ratios are valuable because they provide insight into a firm's operational performance and help stakeholders evaluate business efficiency (Pandey, 2010). Common types include:

1. Inventory Turnover Ratio – measures how often inventory is sold and replaced. High turnover indicates efficient inventory management.
2. Accounts Receivable Turnover Ratio – evaluates how quickly a company collects payments from customers. Higher turnover means faster collection.
3. Accounts Payable Turnover Ratio – assesses how promptly a company pays its suppliers. A higher figure shows quicker payments.
4. Total Asset Turnover Ratio – reflects how effectively a company uses all its assets to generate revenue.
5. Fixed Asset Turnover Ratio – measures the efficiency of using property, plant, and equipment to produce sales. A higher ratio indicates better utilization.
6. Working Capital Turnover Ratio – shows how efficiently working capital is used to drive sales.

Each ratio highlights a different part of a company's operations. For example, high inventory turnover suggests strong sales, while low turnover could signal overstocking or weak demand. Similarly, high accounts receivable turnover indicates efficient credit management, while low turnover may point to collection challenges. Overall, activity ratios allow managers, investors, and analysts to compare company performance against industry benchmarks and identify areas needing improvement (Njeri & Kagiri, 2013).

2.2. Theoretical Framework

Life Span Theory of Sustainable Finance

The Life Span Theory of Sustainable Finance is rooted in Vernon's (1979) product cycle hypothesis. It suggests that the lifespan of sustainable finance instruments—such as policies, products, services, and schemes shapes the level of interest and commitment from economic agents. Similar to product life cycles, sustainable finance passes through phases of introduction, growth, maturity, and decline. Economic agents form expectations about the duration of different sustainable finance products and, based on these, decide whether to engage with them in the short term, long term, or not at all (Vernon, 1979).

When investors or firms believe that sustainable finance products are temporary or that the agenda may fade like earlier development schemes, they are less likely to commit strongly. However, if they expect sustainable finance to endure or even replace conventional finance as the dominant model, they are more inclined to provide long-term support (Zadek & Flynn, 2013).

This theory helps explain variations in the adoption of financial innovations such as green bonds and loans. For example, Nigerian Breweries Plc, a leading player in Southeast Nigeria's brewing industry, may commit more strongly to green financing initiatives if management and investors believe these instruments will remain viable in the long term. Such commitments could influence investments in renewable energy, eco-friendly packaging, and waste recycling. However, if stakeholders doubt the longevity of green financing policies, the company might restrict its engagement to short-term projects or compliance-driven activities rather than long-term sustainability investments.

The advantage of life span theory lies in its recognition of how expectations about the longevity of financial instruments shape corporate and investor behaviour. It stresses why demand for sustainable finance products like green bonds fluctuates based on market perceptions of durability (Höhne, et al., 2012). Still, the theory faces limitations: expectations may be subjective and biased and predicting the exact life cycle of financial products is challenging in uncertain markets (Höhne et al., 2012).

2.3 Empirical Review

Ahmad, et al., (2012) investigated the effect of leverage on the performance of 58 Malaysian firms between 2005 and 2010. Using regression analysis, they examined the relationship between return on equity (ROE) and return on assets (ROA) with capital structure proxies such as short-term debt, long-term debt, and total debt. Their findings, based on lag values, revealed no significant relationship between firm performance and total debt, long-term debt, or short-term debt.

In Kenya, et al., (2013) analyzed the link between liquidity, solvency, and the financial health of small and medium-sized enterprises (SMEs) in Kisii Municipality from 2009 to 2011. Employing ratio analysis of secondary data, they found that weak financial management, inadequate working capital, slow

conversion of receivables and inventories into cash, rising trade debts and low turnover contributed to poor or average performance among SMEs. The study also revealed that the current and quick ratios of sampled SMEs, at 2:1 and 1:1 respectively, were below industry standards, making it difficult for them to settle debts as they matured.

In Nigeria, Owolabi (2017) examined how economic factors influenced the financial performance of 31 selected SMEs. The study, which applied an ex post facto design and regression analysis, considered factors such as government spending, inflation, interest rates, and exchange rate fluctuations. Results showed a negative and significant relationship between these economic characteristics and SME performance, indicating that unfavorable macroeconomic conditions reduced firm profitability.

Abubakar, et al., (2018) studied the effect of leverage on the financial performance of listed conglomerates in Nigeria between 2005 and 2016. Using fixed effects regression, they found that the short-term debt ratio had a positive and significant effect on return on assets at the 1% level. However, both the debt-to-equity ratio and long-term debt ratio had negative and significant effects on firm performance.

3. Methodology

This study employed a survey research design to ensure reliability and originality of findings, as surveys are commonly used for collecting data from a defined population in management and social science research (Saunders, Lewis & Thornhill, 2019). The population of the study comprised management and employees of corporate organizations in Southeast Nigeria, totaling 246 individuals, including both business owners and staff. To reduce sampling error, a simple random sampling technique was adopted, which provides equal chances for participants to be selected (Kothari, 2004). From this population, a sample size of 152 respondents was determined.

Data were collected using structured questionnaires, consisting of both multiple-choice and open-ended questions. While the multiple-choice questions provided structured options for easy analysis, the open-ended items allowed respondents to express their opinions freely, thereby enriching the quality of the data (Creswell & Creswell, 2018). Out of the 152 questionnaires distributed, 141 were correctly completed and returned, representing a high response rate of 92.7%, which further strengthens the reliability of the study's findings.

4. Data Presentation and Analysis

The collected data will be analyzed using tables and percentages. Percentages will help explain the results clearly, and the data will be presented in tables for easy understanding. To test the hypothesis, chi-square analysis will be applied. All data analysis and coding will be done using SPSS version 28.0.

4.1 Demographic Presentation of Data

Table 1 presents the demographic profile of the respondents, which includes gender, marital status, age, work experience and educational qualification.

Table 1: Demographic characteristics of respondents

	Frequency	Percentage
Gender		
Male	89	63.1%
Female	52	36.9%
Marital Status		
Single	79	56.0%
Married	53	37.6%
Divorced	09	6.40%
Age		
20-29 years	31	21.9%
30-39 years	36	25.5%
40-49 years	47	33.3%
>50 years	27	19.1%
Working Experience		
< 5 years	66	46.8%
5-10 years	29	20.6%
11-20 years	37	26.2%
>20 years	09	6.0%
Qualification of Respondents		
Bachelor's Degree	71	50.4%
Master's degree	30	21.3%
PhD	13	9.21%
Professional Certificates	27	19.1%

Source: Fieldwork 2025

Table 1 presents the demographic profile of the respondents. About 63% of the respondents were male, while 34% were female. Regarding marital status, singles made up the highest proportion with 56%, followed by married respondents at 38%. In terms of age distribution, most respondents fell within the 40–49 years bracket, while the lowest number were above 50 years.

Most respondents had 5–10 years of work experience (47%), while the fewest had over 20 years. In terms of academic qualification, the majority held a bachelor's degree (50%), followed by master's degree holders (21%), PhD holders (19%), and those with professional certificates (9%).

Hypothesis One

Does the leverage ratio influence the financial performance of corporate organizations in Southeast Nigeria?

Table 2: Response rate for research hypothesis one

Option	Frequency	Percentage
Yes	106	75.2%
No	35	24.8%
Total	141	100%

Source: Fieldwork 2025

The table indicates that 75.2% of respondents believe the leverage ratio is appropriate and effective for enhancing the financial performance of corporate organizations, while 24.8% consider it inappropriate and ineffective in Southeast Nigeria.

Research Question Two

Does the activities ratio influence the financial performance of corporate organizations in Southeast, Nigeria?

Table 3: Response rate for research hypothesis two

Option	Frequency	Percentage
Yes	97	68.8%
No	44	31.2%
Total	50	100%

Source: Fieldwork 2025

The results in the table show that 68.8% of respondents agreed that the activity ratio has an effect on the financial performance of corporate organizations in Nigeria, whereas 31.2% indicated that it does not.

4.2 Testing of Hypotheses

At this stage, the hypotheses will be tested to determine whether they should be accepted or rejected, as well as to assess their reliability. To achieve this, the chi-square (χ^2) test will be applied.

4.2.1 Hypothesis One

H₀1: Leverage ratio has no significant positive effect on financial performance of corporate organizations in Southeast, Nigeria.

Test Statistic

(χ^2) = Chi-square

Formula = (χ^2) = $\sum (O - E)^2 / E$

O = observed frequency

E = expected frequency

Assumption

A significance level of 5% ($p \leq 0.05$) was adopted as the criterion for testing the hypothesis.

Degree of Freedom

The degree of freedom (DF) is determined using the formula: $DF = (P - 1)(Q - 1)$. Where P represents the number of rows and Q represents the number of columns in the contingency table.

$$DF = (2-1)(2-1) = 1$$

Decision Rule

The null hypothesis (H_0) is rejected when the probability value (p-value) is less than the 0.05 level of significance, indicating a statistically significant result; otherwise, H_0 is retained.

Table 4: Chi-square table for hypothesis one

Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	35.752 ^a	1	.000		
Continuity Correction ^b	33.401	1	.000		
Likelihood Ratio	36.393	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	35.307	1	.000		
N of Valid Cases	141				

Source: Fieldwork 2025

Based on Table 4, the chi-square critical value at the 0.05 level of significance with 1 degree of freedom is 3.45. Since the calculated chi-square value ($\chi^2 = 35.752$) exceeds the critical value (3.45), the null hypothesis is rejected and the alternative hypothesis is accepted. This implies that the leverage ratio has a statistically significant effect on the financial performance of corporate organizations in Nigeria.

4.2.2 Hypothesis Two

H_{02} : Activity ratio has no significant positive effect on financial performance of corporate organizations in southeast, Nigeria.

Test Statistic

χ^2 = Chi-square

$$\text{Formula} = \chi^2 = \sum (O - E)^2 / E$$

O = observed frequency

E = expected frequency

Assumption

A significance level of 5% ($p \leq 0.05$) was adopted as the criterion for testing the hypothesis.

Degree of Freedom

The degree of freedom (DF) is determined using the formula: $DF = (P - 1)(Q - 1)$. Where P represents the number of rows and Q represents the number of columns in the contingency table.

$$DF = (2-1)(2-1) = 1$$

Decision Rule

The null hypothesis (H_0) is rejected when the probability value (p-value) is less than the 0.05 level of significance, indicating a statistically significant result; otherwise, H_0 is retained.

Table 5: Chi-square table for hypothesis two

Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	19.922 ^a	1	.000		
Continuity Correction ^b	18.127	1	.000		
Likelihood Ratio	20.119	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	20.512	1	.000		
N of Valid Cases	141				

Source: Fieldwork 2025

From Table 5, the chi-square critical value at the 0.05 level of significance with 1 degree of freedom is 3.45. Since the calculated chi-square value ($\chi^2 = 19.922$) is greater than the critical value, the null hypothesis is rejected in favor of the alternative hypothesis. This indicates that the activity ratio has a statistically significant effect on the financial performance of corporate organizations in Southeast Nigeria.

4.4 Discussion of Findings

4.3.1 Hypothesis One: Leverage Ratio and Financial Performance

The first hypothesis tested whether the leverage ratio has a significant positive effect on financial performance of corporate organizations in Southeast Nigeria. Using the chi-square test, the calculated value ($\chi^2 = 35.752$) was far above the critical value of 3.45 at the 5% significance level with 1 degree of freedom. This result led to the rejection of the null hypothesis (H_0) and acceptance of the alternative hypothesis (H_1).

This finding indicates that leverage ratio plays a statistically significant role in determining the financial performance of corporate organizations. A high leverage ratio implies that firms are using debt effectively to finance operations, which can enhance returns on equity when managed prudently. In the context of Southeast Nigeria, this could reflect corporate organizations' reliance on debt instruments to expand

operations, optimize capital structure, and achieve higher profitability. The significant impact may also point to the effective financial management practices in these organizations, ensuring that borrowing contributes positively rather than becoming a burden.

In practical terms, the result suggests that managers and policymakers should consider leverage strategies carefully, as appropriate use of debt can be a catalyst for improving financial outcomes in the corporate sector.

4.3.2 Hypothesis Two: Activity Ratio and Financial Performance

The second hypothesis examined whether the activity ratio significantly affects the financial performance of corporate organizations. The chi-square analysis revealed a calculated value of $\chi^2 = 19.922$, exceeding the critical value of 3.45 at the 5% significance level with 1 degree of freedom. Consequently, the null hypothesis (H_0) was rejected in favor of the alternative hypothesis (H_1).

This outcome demonstrates that activity ratios, which measure the efficiency with which a firm utilizes its assets to generate revenue, have a significant impact on financial performance. Organizations in Southeast Nigeria that maintain high asset turnover or efficiently manage inventory, receivables, and other resources tend to achieve better financial results. The finding aligns with the theoretical expectation that operational efficiency directly contributes to profitability. It also underscores the importance of effective internal controls and resource management in enhancing corporate performance. Managers and stakeholders can leverage this insight by prioritizing operational efficiency metrics, ensuring that resources are optimally allocated to generate maximum financial returns.

Overall, both the leverage ratio and activity ratio are shown to significantly influence the financial performance of corporate organizations in Southeast Nigeria. While leverage reflects the strategic use of debt financing, activity ratios highlight operational efficiency. The empirical evidence supports the notion that financial performance is shaped by both capital structure decisions and the effective management of organizational assets.

This dual significance suggests that organizations aiming for sustainable growth must balance their financing strategies with efficient operational practices to maximize profitability. For researchers, these results reinforce the relevance of financial ratios as practical indicators of corporate performance in the Nigerian context.

The study conducted was to examine the effect of green financing on the growth of corporate organizations in southeast, Nigeria. The result of the demographic profile in Table 1 suggests that the majority of the staff who responded to this questionnaire are males with about 63% response rate, this could suggest that in the southeast more males engage in corporate organizations than females. The result of the hypothesis was obtained using the chi-square statistic which is entirely the opinion of the respondents who are staff of the corporate organizations and it suggests that at a 5% level of significance leverage ratio and activity ratio have a statistically significant effect on the performance of corporate organizations in southeast, Nigeria.

5. Conclusion and Recommendations

The study concludes that both leverage and activity ratios significantly influence the financial performance of corporate organizations in Southeast Nigeria. Firms that manage leverage well and engage in sustainable practices achieve better financial outcomes. Aligning financial strategies with environmentally responsible initiatives enhances both profitability and long-term sustainability.

Based on these findings, corporate organizations such as Nigeria Breweries are encouraged to incorporate green financing into their financial planning and decision-making to enhance both profitability and sustainability. Firms should optimize their leverage structures to maximize financial performance while considering environmental impacts. Additionally, active investment in sustainable operational practices such as efficient resource management and eco-friendly initiatives, is recommended, as these positively influence financial outcomes. Overall, embedding sustainability into core business strategies and regularly monitoring both financial and environmental metrics will support long-term organizational success.

REFERENCES

- Abubakar, A., Maishanu, M. M., Abubakar, B. & Aliero, H. M. (2018). Capital structure and financial performance of quoted conglomerates in Nigeria. *Nigerian Journal of Accounting and Finance*, 10(1), 54–67.
- Abdul, A. & Adelabu, A. (2015). Financial leverage and corporate performance of Nigerian manufacturing firms. *Journal of Business and Management*, 17(8), 23–30.
- Adeleye, N. & Eboagu, C. (2019). Evaluation of environmental policy and sustainable development in Nigeria. *Environmental Development*, 30(2), 1–9. https://doi.org/10.1016/j.envdev.2019.100482.
- Agyemang, F. O., Ansong, A. & Marfo, E. O. (2020). Green finance and sustainability in emerging markets: Evidence from Africa. *Journal of Sustainable Finance & Investment*, 10(2), 1–15. https://doi.org/10.1080/20430795.2019.1706382.
- Ahmad, Z., Abdullah, N. M. H., & Rosian, R. (2012). Capital structure effect on firms' performance: Focusing on consumers and industrials sectors on Malaysian firms. *International Review of Business Research Papers*, 8(5), 137–155.
- Ahmed, N., Awais, M. & Kashif, M. (2018). Impact of capital structure on firm performance: Evidence from Pakistan. *International Journal of Business and Social Science*, 9(2), 64–72. https://doi.org/10.30845/ijbss.v9n2p8.

- Akinwale, Y. O. (2022). Green finance and sustainable development in emerging economies: The Nigerian perspective. *Journal of Sustainable Finance & Investment*, 12(4), 843–860. https://doi.org/10.1080/20430795.2020.1834957[https://doi.org/10.1080/20430795.2020.1834957].
- Akomea-Frimpong, I. (2021). Green financing and banking sector performance: Evidence from emerging markets. *Journal of Sustainable Finance & Investment*, 11(3), 213–229. https://doi.org/10.1080/20430795.2020.1769982[https://doi.org/10.1080/20430795.2020.1769982].
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative and mixed methods approaches (5th ed.)*. SAGE Publications.
- Eccles, R. G., Ioannou, I. & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835–2857. https://doi.org/10.1287/mnsc.2014.1984[https://doi.org/10.1287/mnsc.2014.1984].
- Eze, C. E. & Nwankwo, O. C. (2023). Corporate sustainability and green financing: Evidence from manufacturing firms in Nigeria. *International Journal of Business and Management Review*, 11(2), 15–29.
- Gatsi, J. G., Gadzo, S. G. & Akoto, R. K. (2013). Degree of financial and operating leverage and profitability of insurance firms in Ghana. *International Business and Management*, 7(2), 57–65. https://doi.org/10.3968/j.ibm.1923842820130702.1060[https://doi.org/10.3968/j.ibm.1923842820130702.1060].
- Höhne, N., Khosla, S., Fekete, H. & Gilbert, A. (2012). Mapping of green finance delivered by IDFC members in 2011. Ecofys Report. https://www.ecofys.com[https://www.ecofys.com].
- Kaplan, R. S. & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Harvard Business School Press.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques (2nd ed.)*. New Age International Publishers.
- Modigliani, F. & Miller, M. H. (1958). The cost of capital, corporation finance and the theory of investment. *American Economic Review*, 48(3), 261–297.

Nannette, L. (2014). *Green finance: A pathway to sustainable development*. Springer.

Nigerian Breweries Plc. (2023). *Annual report and financial statements 2022*. Retrieved from [\[https://www.nbplc.com\]](https://www.nbplc.com)(<https://www.nbplc.com>).

Njeri, S. & Kagiri, A. (2013). Effect of capital structure on financial performance of firms listed at the Nairobi Securities Exchange. *International Journal of Science and Research*, 2(12), 214–219.

Nwachukwu, C. & Oseghale, A. (2021). The economic contributions of Nigeria's brewing industry. *African Journal of Business and Economic Research*, 16(3), 45–62. [\[https://doi.org/10.31920/1750-4562/2021/v16n3a3\]](https://doi.org/10.31920/1750-4562/2021/v16n3a3)(<https://doi.org/10.31920/1750-4562/2021/v16n3a3>).

Nyabwanga, R. N., Otieno, S. & Nyakundi, D. O. (2013). The relationship between working capital management policies and financial performance: A study of small-scale enterprises in Kisii Municipality, Kenya. *International Journal of Social Sciences and Entrepreneurship*, 1(2), 151–167.

Organisation for Economic Co-operation and Development. (2020). *Green finance and investment: Financing climate futures*. OECD Publishing. [\[https://doi.org/10.1787/9789264308114-en\]](https://doi.org/10.1787/9789264308114-en)(<https://doi.org/10.1787/9789264308114-en>).

Owolabi, S. A. (2017). Impact of economic characteristics on financial performance of small and medium scale enterprises in Nigeria. *Journal of Accounting and Financial Management*, 3(2), 45–59.

Pandey, I. M. (2010). *Financial management (10th ed.)*. Vikas Publishing House.

PricewaterhouseCoopers (PwC). (2013). *Exploring green finance in banking*. PwC Publications. [\[https://www.pwc.com\]](https://www.pwc.com)(<https://www.pwc.com>).

Richard, P. J., Devinney, T. M., Yip, G. S. & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal of Management*, 35(3), 718–804.[\[https://doi.org/10.1177/0149206308330560\]](https://doi.org/10.1177/0149206308330560)(<https://doi.org/10.1177/0149206308330560>).

Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students (8th ed.)*. Pearson Education Limited.

- United Nations. (2022). *Financing sustainable development in the era of climate change*. UN Publications. <https://www.un.org>.
- Uwuigbe, U., Uwuigbe, O. R., Asiriwa, O. & Jimoh, J. (2018). Sustainability reporting and firm performance: A focus on the Nigerian brewing industry. *International Journal of Energy Economics and Policy*, 8(5), 1–7.
- Wang, Y. & Zhi, Q. (2016). The role of green finance in environmental protection: Two aspects of market mechanism and policies. *Energy Procedia*, 104, 311–316. <https://doi.org/10.1016/j.egypro.2016.12.053>.
- World Bank. (2020). *Transforming green finance into practice: Challenges and opportunities*. World Bank Group. <https://www.worldbank.org>.
- Zadek, S. & Flynn, C. (2013). South-originating green finance: Exploring the potential. *UNEP Inquiry Working Paper*. <https://www.unep.org>.
- Zhang, D., Mohsin, M., Rasheed, A. K. & Chang, Y. (2022). Impact of green finance on sustainable development: Evidence from emerging markets. *Journal of Cleaner Production*, 330, 129–146. <https://doi.org/10.1016/j.jclepro.2021.129946>.