

## An Appraisal of Green Financing on the Performance of Corporate Organization in Southeast Nigeria, A Study of Nigeria Breweries

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**Abstract:** The study examined an appraisal of Green Financing on the performance of Corporate Organizations in Southeast Nigeria, A study of Nigeria Breweries. Leverage ratio and activity ratio were considered the independent variables, while financial performance served as the dependent variable. The study adopts a survey research design. Primary data were adopted for the study, and data were collected using a well-structured questionnaire. The questionnaire included multiple-choice and open-ended questions. The data collected were analyzed using SPSS 28.0, while the chi-square was used to analyze the hypotheses. The resulting review that the leverage ratio has a statistically significant effect on the financial performance with a value of  $\chi^2$  (35.752), which is greater than the critical value of 3.45. In contrast, the activity ratio has a statistically significant effect on the financial performance with a value of  $\chi^2$  (19.922), which is greater than the critical value of 3.45 of the performance of Corporate Organizations in Southeast Nigeria. We concluded that green financing has a significant positive effect on the performance of corporate organizations. We recommended that performance Corporate Organizations, such as Nigeria Breweries, should endeavor to adopt green financing because it has a significant positive effect on the performance of their business.

**Keywords:** Appraisal, Financing, Green, Organization, Performance

### 1.1 Introduction

In this day of increased environmental awareness and international initiatives to address climate change, corporate organizations have a critical role to play in encouraging sustainable practices (Putri, Siti, and Junaidi, 2025). "Green Financing" is a notion that has become a revolutionary force as businesses struggle to solve environmental concerns and

achieve financial success at the same time (Olasehinde-Williams, 2023). This study explores the complex relationship that exists between business organizations' overall performance and Green Financing activities to understand the subtle dynamics that shape their path to sustainable success (Adebayo et al., 2021). A financial tactic known as "green financing" aims to match cash allocation to ecologically conscious projects. The pressing need to shift to a resource-efficient, low-carbon economy has forced companies to look at ways to reduce their environmental impact while simultaneously strengthening their long-term financial stability. The financial mechanisms supporting sustainability initiatives are crucial in determining their effectiveness and influence on corporate performance when organizations incorporate them into their fundamental objectives (Nguyen et al., 2022). Nigeria, like many other countries, is confronted with issues related to pollution, climate change, and the depletion of natural resources. The international community and national governments actively support sustainable practices across a range of businesses, realizing the urgency with which these concerns must be addressed (Putri, Siti, and Junaidi, 2025). Nigeria's beer industry plays a big role in the country's economy by creating jobs, boosting GDP, and generating income (Olanipekun & Olasehinde-Williams, 2023). Given this, it is critical to comprehend how Green Financing affects the operations of significant brewing firms, like Nigeria Breweries. Green finance, which includes eco-friendly investments and funding sources, is becoming more popular as a means of promoting corporate sustainability.

Businesses seek to improve their reputation and long-term competitiveness while also adhering to regulatory obligations by incorporating environmentally friendly practices into their operations (Nguyen et al., 2022; Olanipekun & Olasehinde-Williams, 2023). Although green financing's theoretical foundations highlight its potential to promote favorable environmental outcomes, a thorough understanding of its actual effects on businesses' financial stability and operational effectiveness is crucial. This study looks into the complex relationship between green financing and corporate performance metrics to close this knowledge gap. This investigation is justified by the revolutionary potential of green financing to reduce environmental hazards while simultaneously opening up new channels for development, innovation, and competitive advantage.

## 1.2 Statement of the problem

Southeast Nigeria's brewing sector sits at the crossroads of financial sustainability, environmental responsibility, and economic growth. The function of green financing and its impact on the overall performance of corporate entities, like Nigeria Breweries, is a critical and understudied topic as these companies struggle to connect their operations with ecologically responsible practices. In particular, how has the implementation of green financing affected Nigeria Breweries' operational efficiency in terms of resource utilization,

waste management, and supply chain resilience? Additionally, what concrete financial outcomes and indicators have been impacted by the integration of green financing within Nigeria Breweries, and how do these metrics compare with pre-adoption benchmarks? This is the specific research problem that needs to be addressed.

### 1.3 Objective of the study

The main objective of the study is to examine the Effect of Green Financing on the Performance of Corporate Organizations in Southeast Nigeria, with a study of Nigeria Breweries. The specific objectives are;

- i. To examine the effect of the leverage ratio on the financial performance of Corporate Organizations in Southeast Nigeria.
- ii. To evaluate the effect of the activities ratio on the financial performance of Corporate Organizations in Southeast Nigeria.

### 1.4 Hypotheses of the study

- i. Leverage ratio has no significant positive effect on the financial performance of Corporate Organizations in Southeast Nigeria.
- ii. The activities ratio has no significant positive effect on the financial performance of Corporate Organizations in Southeast Nigeria.

## Review of Related Literature

### 2.1 Conceptual Review

#### Green Finance

Höhne, Khosla, Fekete, and Gilbert (2012) "The phrase 'green finance' encompasses a wide range of financial investments that are directed towards environmental products, policies that promote the growth of a more sustainable economy, and programs and activities related to sustainable development. Climate financing is a subset of green finance, although not the only one. Additionally, a wider variety of "other environmental objectives, such as biodiversity protection, water cleanliness, or industrial pollution control, are mentioned. Finance for adaptation and mitigation is particularly tied to actions about climate change: While adaptation financial flows are investments that help lessen the susceptibility of people and things to the consequences of climate change, mitigation financial flows are investments in projects and programs that help reduce or eliminate greenhouse gas emissions (GHGs) (Zadek and Flynn 2013).

"Green investment and green finance are frequently used synonymously. In actuality, though, green finance encompasses more than just investments, as described by organizations like Bloomberg New Energy Finance. The fact that it covers green investment

operating expenditures that are not covered by the definition of green investment is crucial. Above all, it would involve expenses like project planning and land acquisition, which are not only substantial but might also provide unique financial issues. Consultants Price Waterhouse Coopers (PWC) (2013) "In the banking industry, green finance is defined as financial services and products that are offered to support environmental causes while taking environmental concerns into account during the loan decision-making, ex-post monitoring, and risk management processes.

Green finance, as defined by Nannette (2014), is any type of lending or investment that improves environmental sustainability and considers its influence on the environment. Sustainable banking and investment decisions are made based on environmental screening and risk assessment to achieve environmental sustainability criteria. This is a fundamental component of green finance. prudent financial decisions and promote low-carbon initiatives, enterprises, industries, and technologies. Financial institutions and enterprises are obligated to follow green finance policies. However, one major factor that will affect the banking industry is green financing (Isaac Akomea-Frimpong, 2021). One essential tool for introducing and developing policies to lessen global warming is green finance. Developing a green financial system is recommended to realize a green economy. Green policies brought green debt market instruments through green bonds and green loans after the government, with its political backing, failed to create a green finance system that promotes the reduction in carbon emissions.

### **Financial Leverage**

The degree to which a corporate organization employs loan resources to support business-related investment possibilities is known as financial leverage. According to Gatsi, Gadzo, and Akoto (2013), the effectiveness of corporate governance may be determined by how well debt capital is used to generate returns on investment. When an organization applies loan capital, the returns on equity capital will rise to the point where the revenue from its use exceeds the project's financing costs (Abdul & Adelabu, 2015). Nonetheless, Abubakar, Maishanu, Abubakar, & Aliero (2018) state that every company entity should aim for a suitable balance between various sources of capital, especially between debt and equity. According to the literature now available, debt capital is thought to be less expensive than equity capital in terms of inherent risk. Diverse perspectives exist regarding the ideal degree of leverage that a company should employ. According to Ahmed, Awais, and Kashif (2018), one of the perspectives proposes a threshold at which the firm can attain a trade-off between the tax benefits of charging interest expenditures and the cost of bankruptcy. However, numerous authors, including Modigliani & Miller (1958), have challenged the notion of an ideal level.

One important financing decision that businesses typically have to make is what proportion of debt and equity capital to use in their capital structure. Ensuring that corporate organizations function with an ideal balance of debt and equity capital is typically a challenging task for managers (Abdul & Adelabu, 2015). Finding a sufficient source of long-term funding that optimizes shareholder wealth is a job that management continuously struggles with (Njeri & Kagiri, 2013). The amount of debt and equity capital used by a company to finance its investment opportunities is measured by financial leverage. According to Abdul and Adelabu (2015), this entails using money from outside sources to pay taxes and operational profit. A company can be either levered or unlevered, according to Pandey (2010). Debt capital is not used in the capital structure of an unleveled corporation. The company has 100% equity. Conversely, a leveraged company finances its operations with a combination of loan and equity capital.

### Activities Ratio

A financial indicator called the activities ratio, or simply the "activity ratio," is used to assess the operational effectiveness and efficiency of a business. It evaluates how well a business uses its resources to create cash flow and revenue. Because they shed light on the operational efficacy of the business, these statistics are essential for analysts, investors, and other stakeholders (Zhu & Wang, 2024). Activity ratios come in a variety of forms, each concentrating on a certain facet of a business's operations:

- i. **Inventory Turnover Ratio:** This ratio calculates the frequency with which a business sells and replaces its stock over a given time frame. Increased turnover is a sign of effective inventory control.
- ii. **Accounts Receivable Turnover Ratio:** This metric evaluates how well a business gets paid by its clients. Increased turnover points to quicker receivables collection.
- iii. **Accounts Payable Turnover Ratio:** This ratio assesses how well a business makes supplier payments. A greater turnover rate suggests that the business is paying its bills quickly.
- iv. **Total Asset Turnover Ratio:** This ratio assesses how well a business makes use of its assets to produce income. It shows how well the business uses all of its resources to generate revenue.
- v. **Fixed Asset Turnover Ratio:** This ratio evaluates how well a business uses fixed assets (such as property, plant, and equipment) to create sales. A higher ratio indicates better fixed asset utilization.
- vi. **Working Capital Turnover Ratio:** This ratio assesses how well a business uses working capital to create sales. It illustrates the effectiveness of working capital management.

Every activity ratio offers distinct perceptions of various facets of an organization's activities. For example, a high inventory turnover ratio indicates that the business is selling goods effectively and swiftly. Conversely, a low turnover rate can be a sign of weak sales or overstocking, which would tie up funds and possibly result in outmoded goods (Zhang, 2025). Comparably, a high ratio of accounts receivable turnover indicates that the business is successfully collecting payments from its clients; conversely, a low ratio may point to possible problems with credit policy or payment collection. When these ratios are examined as a whole, a complete picture of a business's resource management and operational effectiveness is provided (Zhu & Wang, 2024). Through the comparison of these ratios with industry standards or historical data, stakeholders can evaluate the performance of a company and pinpoint areas that may require enhancement. Comprehending and evaluating these activity ratios offers significant perspectives for financial planning, decision-making, and evaluating the general well-being and growth prospects of an organization (Yu, 2024).

### **Corporate Organizational Performance**

The capacity of an organization to maximize outcomes and accomplish its objectives is known as organizational performance. Organizational performance in today's workforce is the capacity of a business to meet objectives in an ever-changing environment. Analyzing an organization's performance in terms of its goals and objectives is called organizational performance. Put differently, actual results or outputs in comparison to planned outputs make up organizational performance (Zhang, 2025). Metrics that are used to evaluate organizations are called performance measures (Short & Palmer, 2003). The majority of executives, investors, and stakeholders monitor and analyze metrics like sales, profitability, and stock price to gain a better understanding of how well their companies are performing in the market and what to expect in the future. However, these metrics only offer a partial picture of how well a company is doing. It is also necessary to use performance referents to evaluate an organization's performance (Miller, 2010). To understand where an organization stands on a performance metric, one might utilize a performance referent, which is a benchmark or standard. Let's say, for instance, that in 2022 a company's profit margin was 20%. On the surface, this would sound fantastic. However, let's say that in 2021, the company's profit margin was 35%, and in 2022, the industry as a whole saw an average profit margin of 40%. When compared to these two benchmarks, the company's 2022 performance warrants concern (Jargon, 2009).

## 2.2. Theoretical Framework

### The life span theory of sustainable finance

Vernon's product cycle hypothesis is the basis for this idea (Vernon 1979). According to the life span hypothesis of sustainable finance, the duration of sustainable finance instruments, plans, policies, products, services, or activities influences consumer interest in sustainable finance. It makes the case that astute economic agents are aware of the life cycle of sustainable finance, which starts with the introduction of sustainable finance as a novel concept and continues through its growth, maturity, and decline. This list of sustainable finance products includes services, instruments, schemes, policies, and activities. Economic agents can predict independently the estimated life span of particular sustainable finance products thanks to their knowledge of the life cycle of these products. Based on these predictions, they can then choose whether to commit to sustainable finance in the short, long, or no time at all. This indicates that the perceived lifespan of certain sustainable finance products by economic agents determines the degree of support for sustainable finance and the degree of support for the shift from traditional/mainstream financing to sustainable financing.

According to the life span theory of sustainable finance, economic agents who think that a particular sustainable financing product will only last a short while or who think that the sustainable finance agenda will soon fade away, as other development schemes have in the past, may support sustainable finance less or only commit to it for the short term. However, if economic agents think that a particular sustainable finance product will last for a long time or if they think the sustainable finance agenda will eventually replace traditional/mainstream finance to become the new mainstream financing model, they will support sustainable finance more or commit to it over the long term. There are two advantages to the life span hypothesis of sustainable finance.

The life span theory of sustainable finance has several advantages. Firstly, it offers a compelling rationale for the varying levels of support and demand for particular sustainable financing products and services, including green bonds. Economic agents are inclined to invest more in green bonds if they think the market for these bonds will expand and eventually take over the traditional/mainstream financial market. Conversely, economic agents would either decrease their investment in green bonds or stay away from the market if they think it will not last long. The life span theory also has the advantage of acknowledging the significance of expectations regarding the longevity of sustainable financing instruments. There are two problems with the life span idea of sustainable finance. Expectations regarding the life span stages of sustainable financing products may be arbitrary and prejudiced, which is the first drawback of the life span theory of sustainable finance. Another drawback is that it may not be possible to accurately anticipate or foresee

the life cycle stages of a given sustainable financing product, service, instrument, scheme, policy, or activity.

### 2.3 Empirical Review

Ahmad, Abdullah, & Rosian (2012) explored the impact of leverage on the performance of 58 Malaysian firms for the period of 2005-2010. Regression analysis was used to determine the relationship between return on equity (ROE) and return on assets (ROA) and the two capital structure proxies, short- and long-term debts. Nevertheless, the results utilizing lag values showed that there is no significant correlation between performance and total debt (TD), long-term debt (LTD), or short-term debt (STD).

Nyabwanga, Otieno, & Nyakundi (2013) in their study of the relationship between liquidity, solvency, and financial health of small and medium-sized enterprises (SMEs) in Kisii Municipality, Kenya. The low or average performance of these enterprises was shown to be caused by unsound financial management, insufficient working capital, a slow rate of receivables and inventory conversion into cash and cash equivalents, rising trade debts, and low turnover. The ratio analysis method was used by the study to analyze secondary data. It took place between 2009 and 2011. The analysis agreed that the sampled enterprises' current and quick ratios, which are 2:1 and 1:1, respectively, are below the industry average. As a result, the SMEs are unable to pay off debt when it becomes due.

Owolabi (2017) examined the impact of economic characteristics and financial performance of selected Small and medium-scale enterprises in Nigeria. This study looked at how the financial performance of a sample of small and medium-sized businesses was affected by the economic features of their operating environments, which were represented by government spending, inflation, interest rates, and exchange rate fluctuations. An ex post facto research design was used in the study. A combination of stratified and random sampling techniques was employed to choose 31 Nigerian small and medium-sized businesses. The study tested the proposed hypotheses using regression analysis. The results showed that there was a negative and significant relationship between the performance of small and medium-sized businesses and economic characteristics, as measured by the interest rate, inflation rate, exchange rate, and government spending. These characteristics had varying degrees of impact on a firm's financial performance. It was also shown that economic features and the performance of small and medium-sized businesses have a generally negative and significant link.

Abubakar et al. (2018) studied the relationship between leverage and financial performance (measured by Return on Asset) of quoted conglomerate firms in Nigeria from 2005 to 2016. The findings of the fixed effects regression showed that, at a 1% level of significance, the short-term debt ratio (STDR) has a positive and significant impact on return on assets, but the DER and LTDR have an inverse and significant impact on ROA.

Putri, Siti, and Junaidi (2025). Conducted a study on the Impact of Green Finance and Sustainable Investment on Corporate Financial Performance: A Cross-Sector Literature Review. The increasing global awareness of environmental issues has encouraged companies to adopt sustainable finance practices. This study synthesizes findings from ten recent peer-reviewed journal articles (2022-2025) covering a wide range of geographic and sectoral focuses. The review results show that green finance and sustainable investment tend to have a positive impact on corporate financial performance, mainly through lowering the cost of capital, enhancing reputation, and encouraging green innovation. These mechanisms vary across sectors, with high-environment risk sectors focusing on risk management, while services and finance sectors place greater emphasis on transparency and investor attraction. Challenges such as high upfront costs, lack of standards, and greenwashing risks remain, but opportunities from market growth, regulatory support, and technological innovation are significant. This study provides important insights for policymakers, investors, and companies in formulating effective sustainability strategies.

Alhassan, (2025). Conducted a study on the relationship between green financing initiatives (GFI) and economic stability in Nigeria from 2020 to 2023. The independent variables are Green Prevention Costs (GNPC), Green Evaluation Costs (GNEC), and Green Internal Failure Costs (GNIC), while economic stability, being a dependent variable, was measured by Real Gross Domestic Product (RGDP), and Trade Openness (TROP) was used as a control variable. Secondary data was collected from the World Bank's Pollution Management database and the Central Bank of Nigeria Statistical Bulletins, with analysis conducted using Robust Least Squares (RLS) in E-Views 9.0. The results indicated that both GNPC and GNIC had a significant positive effect on economic stability, while GNEC had an insignificant effect.

Abdelwhab et al (2025) conducted a study on the Impact of Green Financing on Company Performance and Achieving Sustainability. Using a robust empirical methodology, the study employs regression analysis to evaluate the connection between green finance and business success. The research incorporates key financial indicators, sustainability metrics, and key performance indicators (KPIs) to measure the impact of green financing on both financial performance and sustainability outcomes. The study also accounts for regional and industry-specific factors, providing a nuanced understanding of how green finance strategies work across different business environments. Hypotheses were formed to be tested using primary data collected through a survey questionnaire. The data were collected from the Dubai police organisation as a field of study. Out of the 500 distributed questionnaires, 280 questionnaires were returned. Partial least squares structural equation modelling (PLS-SEM) was used to analyse the data for measurement and structural models.

**Findings:** Preliminary findings show a strong positive correlation between green finance practices and improved firm performance. Companies adopting green financing strategies tend to show enhanced profitability, efficiency, and market value. Furthermore, the research highlights that green finance plays a crucial role in supporting businesses' sustainability goals, driving progress toward environmental objectives while boosting financial performance.

### 3. Methodology

To guarantee uniqueness and dependability, a survey approach was used for this investigation. The management and employees of corporate organizations in the Southeast make up the population of this research study. There are "246" employees in total, who are either business owners or employees. This study used a sample random technique to choose and engage with SMEs' staff to minimize sampling error. A sample size of 152 was used. The study employed questionnaires to get the intended outcome. Both multiple-choice and open-ended questions were included in the survey. They helped respondents share their thoughts, which made it possible for our study to gather the data we needed. Following the distribution of the questionnaire, 141 were returned, representing a response rate of 92.7%.

### 4. Data Presentation and Analysis

In the process of filtering and evaluating the gathered data, the utilization of tables and percentages will be crucial. The gathered data will be examined using percentages and shown in tables. Chi-square analysis will be used to examine the hypothesis. We'll be using SPSS 28.0 for data analysis and coding.

#### Demographic Presentation of Data

The respondent's profile, such as gender, marital status, age, working experience, and educational qualification, was presented in Table 1 below.

**Table 1: Demographic Characteristics of Respondents**

|                       | Frequency | Percentage |
|-----------------------|-----------|------------|
| <b>Gender</b>         |           |            |
| Male                  | 89        | 63.1%      |
| Female                | 52        | 36.9%      |
| <b>Marital Status</b> |           |            |
| Single                | 79        | 56.0%      |
| Married               | 53        | 37.6%      |
| Divorced              | 09        | 6.40%      |
| <b>Age</b>            |           |            |
| 20-29 years           | 31        | 21.9%      |
| 30-39 years           | 36        | 25.5%      |

|                                     |    |       |
|-------------------------------------|----|-------|
| 40-49 years                         | 47 | 33.3% |
| >50 years                           | 27 | 19.1% |
| <b>Working Experience</b>           |    |       |
| < 5 years                           | 66 | 46.8% |
| 5-10 years                          | 29 | 20.6% |
| 11-20 years                         | 37 | 26.2% |
| >20 years                           | 09 | 6.0%  |
| <b>Qualification of Respondents</b> |    |       |
| Bachelor's Degree                   | 71 | 50.4% |
| Master's degree                     | 30 | 21.3% |
| PhD                                 | 13 | 9.21% |
| Professional Certificates           | 27 | 19.1% |

Source: Fieldwork 2023

Table 1 is the demographic profile of the respondents, 63% of the respondents are male while about 34% of the respondents are female. Marital status showed that single people responded more to the questionnaire with a 56% response rate followed by married people with about 38% response rate. In terms of age, most of the respondents are within the age bracket of 40-49 years, while the least respondents were 50>yrs.

The majority of the respondents have a working experience between 5-10 years which recorded a response rate of about 47%, while the least working experience is >20 years. Lastly, when considering the academic qualification of the respondents most of them are bachelor's degree holders with about 50% response rate, followed by master's degree holders with about 21% response rate, professional certificate and PhD with approximately 9% and 19% response rate respectively.

### Hypothesis 1:

Does the leverage ratio affect the financial performance of corporate organizations in southeast, Nigeria?

**Table 2: Response Rate for research hypothesis 1**

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

The above table shows that 75.2% of the total respondents think that the leverage ratio is appropriate and effective for the financial performance of corporate organizations while

24.8% of the total respondents said that the leverage ratio is inappropriate and ineffective for the financial performance of corporate organizations southeast Nigeria.

### Research Question 2:

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

**Table 3: Response Rate for Research Hypothesis 2**

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

The above table shows that 68.8% of the total respondents think that the activity ratio affects the financial performance of corporate organizations while 31.2% of the total respondents said that the activity ratio does not affect the financial performance of corporate organizations, in Nigeria.

### Testing of Hypotheses

At this point, the hypothesis formed is either to accept or reject them and as well as determine the extent of their reliability. In other to achieve this, we shall use the chi-square method which is the chi-square ( $\chi^2$ ) test.

### Hypothesis One

H<sub>01</sub>: Leverage ratio has no significant positive effect on the financial performance of corporate organizations in southeast, Nigeria.

### Test Statistic

( $\chi^2$ ) = Chi-square

Formula = ( $\chi^2$ ) =  $\sum (o - E)^2/E$

o = observed frequency

E = expected frequency

### Assumption:

The level of significance used is 5%, Which is 0.05.

### Degree of Freedom

The degree of freedom is given as  $DF = (P-1) (Q-1)$

Were

P = rows, Q = columns

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

**Decision Rule**

If Prob-value < 0.05, reject ( $H_0$ ) otherwise accept.

**Table 4: Chi-Square table for hypothesis 1**

| <b>Chi-Square Tests</b>            |                     |    |                       |                      |                      |
|------------------------------------|---------------------|----|-----------------------|----------------------|----------------------|
|                                    | Value               | Df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
| Pearson Chi-Square                 | 35.752 <sup>a</sup> | 1  | .000                  |                      |                      |
| Continuity Correction <sup>b</sup> | 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                 |    |                       |                      |                      |

The value of 1 at a 0.05 significant level is = 3.45. Using the chi-square table.

Thus, the critical value is given as  $\chi^2 = 3.45$ .

Since the calculated value of  $\chi^2$  (35.752) is greater than the critical value (3.45), we reject the null hypothesis and accept the alternative hypothesis. We therefore conclude that the leverage ratio has a statistically significant effect on the financial performance of corporate organizations in Nigeria.

**Hypothesis Two**

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

**Test Statistic**

$\chi^2$  = Chi-square

Formula =  $\chi^2 = \sum (o - E)^2 / E$

o = observed frequency

E = expected frequency

The level of significance used is 5%, which is 0.05.

**Degree of Freedom**

The degree of freedom is given thus:  $DF = (P-1) (Q-1)$

Were

P = rows Q = columns

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

**Decision Rule**

If Prob-value < 0.05, reject ( $H_0$ ) otherwise accept

**Table 5: Chi-Square table for Hypothesis 2**

| Chi-Square Tests                   |                     |    |                       |                      |                      |
|------------------------------------|---------------------|----|-----------------------|----------------------|----------------------|
|                                    | Value               | Df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
| Pearson Chi-Square                 | 19.922 <sup>a</sup> | 1  | .000                  |                      |                      |
| Continuity Correction <sup>b</sup> | 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                 |    |                       |                      |                      |

The value of 1 at a 0.05 significance level is = 3.45. Using the chi-square table.

Thus, the critical value is given as  $\chi^2 = 3.45$ .

Since the calculated value of  $\chi^2$  (19.922), is greater than the critical value (3.45), we reject the null hypothesis and accept the alternative hypothesis. We therefore conclude that the activity ratio has a statistically significant effect on the financial performance of corporate organizations in Southeast Nigeria.

### Discussion of Results

The study conducted was to examine the effect of green financing on the growth of corporate organizations in the 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

To sum up, this study looked into how corporate organizations in Southeast Nigeria performed with green financing, with a particular emphasis on Nigeria Breweries. The study attempted to determine the association between important financial ratios and the adoption of environmentally friendly practices through a thorough review of sustainability and financial measures. The research's conclusions offer insightful information about the dynamics of business success in Southeast Nigeria's green financing environment. The

impact of the two primary financial ratios, the leverage ratio and the activity ratio, on the financial performance of businesses was investigated.

First, the study found that the financial performance of corporate organizations in the area is significantly improved by the leverage ratio. This suggests that businesses that use Green Financing, especially those with a greater leverage ratio, tend to perform better financially. Leverage and financial performance are positively correlated, indicating that environmentally aware initiatives and sustainable financial practices work together to promote overall organizational success.

Furthermore, the study's conclusions showed that the activity ratio significantly improves the financial performance of corporate companies in Southeast Nigeria. This suggests that businesses with an activity ratio that reflects their active participation in sustainable activities typically have better financial results. The correlation that exists between financial success and activity ratio highlights the significance of integrating sustainable business practices into the fundamental operational activities of corporate entities.

### **Recommendation**

Corporate entities, such as Nigeria Breweries, should carefully include green financing in their financial planning and decision-making procedures in light of the findings. Optimize the benefits of both financial performance and environmental responsibility; this entails matching financial strategies with environmentally friendly efforts.

- i. Businesses ought to carefully optimize their leverage structures in light of the leverage ratio's shown beneficial impact on financial performance. This entails striking a balance between debt and equity that improves financial performance while taking the funding sources' environmental effects into account.
- ii. Investment in and active participation in sustainable activities are encouraged for corporate entities. Organizations should concentrate on projects that not only improve operational effectiveness and overall financial health but also contribute to environmental sustainability, as demonstrated by the activity ratio's favorable effect on financial performance.

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