

Geopolitical Risk and Investor Sentiment: Analysing the Impacts on FTSE 350 Stocks

Adaeze Nwanegbo

Norwich Business School, University of East Anglia, Norwich, UK.

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ABSTRACT

This study examined how the Russia–Ukraine conflict has affected the financial performance of FTSE 350 manufacturing firms. It focuses on four key areas: supply chain resilience, energy price volatility, currency exchange rate fluctuations and changes in government policy. The conflict has created major disruptions in global markets, leading to higher operational costs, reduced stability and a decline in investor confidence. A review of existing literature provides the conceptual and theoretical grounding for understanding these impacts, particularly through the Resource-Based View, which highlights the importance of firm capabilities in responding to geopolitical uncertainty. The study adopts a positivist approach and uses secondary quantitative data from financial statements covering the years 2021 to 2024. Financial ratios such as debt level, gross profit margin, return on assets and sustainable finance indicators were analysed to measure changes in performance before and during the conflict. A t-test was used to determine whether the observed changes were statistically significant. The results show varied outcomes across firms. Some companies improved profitability and asset utilisation, while others experienced increased debt exposure, lower margins and weaker sustainability scores. Firms heavily dependent on energy or international trade were particularly affected by market volatility and currency movements. The study concludes that geopolitical instability has increased both operational and financial risks for FTSE 350 manufacturing firms. Companies that diversified supply chains, strengthened risk management systems and adopted sustainability-focused strategies were better positioned to manage these challenges. The findings highlight the importance of resilience-building, sustainable finance integration and proactive risk mitigation. Recommendations are provided for firms, policymakers and researchers. Future studies are encouraged to combine quantitative data with qualitative insights to deepen understanding of how companies navigate periods of geopolitical disruption.

Keywords: Geopolitical Risk, Ftse 350, Financial Performance, Supply Chain Resilience, Energy Price Volatility.

INTRODUCTION

Background to the study

Over the previous two and a half decades, the planet has seen two significant crises that include the COVID-19 epidemic, which affected the whole globe, and the conflict between Russia and Ukraine, which posed a serious global threat (Kumar et al., 2023). The two crises resulted in significant economic hardship for several global economies. At first, the rapid transmission of COVID-19 and the elevated mortality rate necessitated the implementation of global security precautions (Morgan, 2022). This prompted significant worry and dread amongst individuals, leading to the withdrawal of more secure assets such as gold and the government's 10-year Treasury notes (Kumar et al., 2023). The FTSE had a decline of 14.3% in 2020, which is the poorest it has been since 2008, primarily attributable to the onset of the infections (Morgan, 2022). In the US, for example, the unemployment rate reached 8.9%, and an important proportion of individuals became involved in government backed job retention programmes (BBC News, 2022). The International Monetary Fund, better known as the IMF, reports that the worldwide economy dropped by 4.4 percent in 2020, marking the conclusion of a decadelong period of employment growth. This fall is deemed more severe than the Great Depression of 1930 (BBC News, 2022).

Russia and Ukraine were major worldwide manufacturers and exporters of petroleum, petroleum products, and specialised food items (Morgan, 2022). They have a significant share in the world's supply of sunflower oil, contributing about 60% of the global output (S&P Worldwide Platts) (Morgan, 2022). In addition, they account for 28.9% of global shipments of wheat (Morgan, 2022). The ongoing conflict between Russia and Ukraine has had a detrimental influence on manufacturing and has ended up resulting in various consequences (Leromain & Biermann, 2023). These include disrupted supply chains, an international upsurge in price increases, a decrease in the availability of traditional energy sources, and unstable returns in financial markets worldwide (Leromain & Biermann, 2023). The continuing Ukraine-Russia conflict has had a substantial effect on the financial health of industrial enterprises in the FTSE 350 (OECD, 2022). The geopolitical consequences of the war, initiated in 2014 when Russia annexed Crimea, have had a profound impact on worldwide markets, particularly the industrial sector (OECD, 2022).

An important impact of the conflict on these kinds of businesses is the heightened geopolitical dangers and unpredictability (Hossain et al., 2023). The escalated hostilities and security measures in the area have culminated in an unstable worldwide fiscal climate, affecting the markets for securities and the general corporate sector (Hossain et al., 2023). The study conducted by Fang and Shao (2022) emphasises that geopolitical events have the potential to cause heightened market turbulence, which in turn impacts shareholder trust and decision making. The industrial sector, which is very responsive to shifts in worldwide financial situations, has seen interruptions in its supply network as a result of the war between Ukraine and Russia (Hossain et al., 2023). The conflict ended up resulting in commerce limitations, penalties, and interruptions in logistics systems, impacting the punctual distribution of initial supplies and completed products. Shivakumar et al. (2022) have recognised this interruption in their research on the influence of geopolitical occurrences on supply chain networks.

Furthermore, the energy industry has served as a crucial aspect of the war, given that Russia plays a significant role as a primary provider of natural gas to Europe (Al-Saidi, 2023). The production enterprises within the FTSE 350 exhibit a significant reliance on energy resources, and variations in energy costs resulting from geopolitical conflicts have had an immediate effect on their operating expenditures (Al-Saidi, 2023). The significance of energy costs in affecting the financial viability of production companies is underscored in research conducted by Milewska and Milewski (2023). The ambiguity underlying the battle has additionally resulted in fluctuations in monetary exchange rates that have been impacting companies involved in global commerce. The depreciation of the Russian ruble and the volatility of foreign currencies have posed difficulties for FTSE 350 manufacturing enterprises that engage with Russian counterparts or operate inside the area (Al-Saidi, 2023). Furthermore, the Ukraine-Russia war has furthermore led to heightened defence expenditures in different nations, redirecting assets that could have been assigned to alternative industries (Al-Saidi, 2023). Therefore, government initiatives have been altered, affecting trade pacts and taxes and influencing the financial environment for manufacturing businesses in the FTSE 350.

Aims and objectives

The aim of this study is to examine the financial performance of FTSE 350 manufacturing firms under Ukraine Russia war circumstances. The following objectives would guide the study:

1. To assess the effect of the Ukraine-Russia conflict on the ability of FTSE 350 manufacturing companies to withstand disruptions in their supply chains.
2. To assess the impact of energy price volatility caused by the war on the operational expenses and financial performance of manufacturing businesses included in the FTSE 350 index.
3. To examine the fluctuations in currency exchange rates and their impact on the financial performance of FTSE 350 manufacturing companies involved in international commerce during the Ukraine-Russia conflict.
4. To evaluate the impact of changes in government policies, namely in defence expenditure, on the business climate and financial outcomes of FTSE 350 manufacturing firms functioning amidst the Ukraine-Russia conflict.

Study Rationale

The decision to examine the financial health of the production companies in the FTSE 350 in light of the Ukraine Russia war is driven by the exceptional and complex influence that political developments might have on multinational companies, especially those that belong to vulnerable sectors such as the production process. This argument is based on the increasing amount of study that acknowledges the complex connections between geopolitical occurrences and the financial well-being of firms (Adra et al., 2023). The war between Ukraine and Russia, which began in 2014 when Russia took control of Crimea, has brought about a significant degree of intricacy and unpredictability in the worldwide financial system (Masters, 2023). According to Adra et al. (2023), geopolitical occurrences might cause increased market swings, affecting trust among investors and decision-making regarding strategy. This offers the background necessary to comprehend the difficulties encountered by manufacturing companies in the FTSE 350 index as they operate amidst the ongoing Ukraine Russia conflict. Corporations have expressed major anxiety about logistical problems, which are a prominent result of geopolitical crises (Góes et al., 2023). The research conducted by Bednarski et al. (2023) highlights the significant and disrupting influence of geopolitical occurrences on logistics networks. Specifically, Bednarski et al. (2023) reveal that the war between Ukraine and Russia has resulted in trading limitations, penalties, and interruptions in logistics. It is essential to evaluate the economic viability of production enterprises by comprehending the magnitude of disturbances in the worldwide supply chains upon which they heavily rely.

Contribution to the Study

This study examines the financial performance of manufacturing companies in the FTSE 350 index during the Ukraine-Russia conflict. It has the opportunity to provide helpful input for both scholarly knowledge and real world comprehension. The research would enhance the existing research on international business hazards and resilience by analysing the influence of geopolitical occurrences on the resilience of supply chains. Gaining knowledge about how these companies negotiate and react to interruptions in the supply chain could offer significant guidance for tactical leadership in unpredictable circumstances. Furthermore, the examination of how prices for energy variations impact operating expenses and revenue adds to the existing body of knowledge on the relationship between geopolitical occurrences and the energy industry (Figueiredo et al., 2022). The knowledge acquired from this specific field of study may provide valuable guidance for industrial companies in developing energy risk prevention strategies when confronted with comparable geopolitical obstacles. Furthermore, the analysis of fluctuations in exchange rates of currencies in the context of global commerce enhances our understanding of the monetary repercussions of geopolitical conflicts for global companies (Segal, 2021). This study provides helpful guidance to corporations on successfully controlling currency-related risks in the face of geopolitical concerns.

REVIEW OF RELATED LITERATURE

Conceptual Review

Supply Chain Resilience

The analysis of supply chain resilience across FTSE 350 manufacturing firms, in light of the Ukraine-Russia conflict, highlights the complex difficulties that these businesses have in sustaining uninterrupted operations during geopolitical disturbances. Tsang et al. (2024) emphasise the susceptibility of worldwide supply networks to disturbances caused by geopolitical occurrences, underscoring the need to comprehend how manufacturing enterprises manage and adjust their supply-chain approaches in reaction to crises like the Ukraine-Russia war. The report highlights the significance of using adaptable approaches to strengthen the resilience of supply networks and reduce dangers, addressing the urgent challenges encountered by FTSE 350 manufacturing enterprises.

The academic literature extensively discusses the significant impact of the Ukraine-Russia war on logistics networks. The study conducted by Hossain et al. (2023) presents concrete proof of the influence of geopolitical events on logistics networks, demonstrating that the war has resulted in trade limitations, economic penalties, and interruptions in transport. These interruptions provide difficulties for production companies in the FTSE 350, necessitating deliberate actions to preserve the strength and flexibility of their supplier relationships.

(Jagtap et al., 2022). Furthermore, the research of Jagtap et al. (2022) indicates that the resilience of supply chains in the industrial sector in the FTSE 350 is not just challenged by interruptions in transport links but additionally by shifts in the geopolitical environment, which influence the accessibility of fundamental raw materials. This aligns with the conclusions of research conducted by Guénette et al. (2022), highlighting that geopolitical occurrences, such as the Ukraine-Russia war, may greatly impact the purchasing and expansion plans of industrial companies. The demand for robust supply chain strategies is reinforced by the necessity to handle risks linked to geopolitical concerns. Academics stress the necessity for companies to use preventative measures in order to detect, evaluate, and reduce geopolitical dangers in their supply networks (Simchi-Levi & Haren, 2022). This is in accordance with the wider body of research on managing supply chain risks, which advises companies to improve their skills to address unforeseen interruptions induced by geopolitical events (Taylor, 2023). This highlights the necessity of using flexible approaches to improve the ability of supply chains to withstand and recover from interruptions. The outbreak of the crisis in Ukraine has caused a profound impact on the complex network of world supply chains, presenting substantial difficulties for industries throughout the globe. FTSE 350 manufacturing enterprises face several risks, such as sourcing interruptions, rising prices, difficulties with operations, and uncertainty in demand (BBC, 2023; The Guardian, 2023; Financial Times, 2023). Both Russia and Ukraine play vital roles as suppliers of essential ingredients and components for numerous sectors. However, the ongoing conflict has led to disruptions in manufacturing, the imposition of penalties, and difficulties with logistics, hence posing a threat to the availability of these supplies (The Economist, 2023).

Moreover, the battle has sparked a rapid and significant increase in the prices of commodities and energy, putting pressure on profitability and affecting the expenses associated with manufacturing as well as shipping for producers (Reuters, 2023). The disturbance and redirection of procurement lines are expected to intensify these expenditure constraints (The Economist, 2023). Operational problems provide further intricacy, as limitations in labour, delays in shipping, and the constant risk of hacking create obstacles and can impede manufacturing (KPMG, 2023). In addition to the current limitations on operations, the conflict has created a situation of financial unpredictability, which might result in a decrease in demand from customers for produced products (KPMG, 2023). The ambiguity presents a substantial logistical obstacle for businesses, rendering it challenging to precisely anticipate manufacturing and holding quantities.

Furthermore, in the face of these daunting obstacles, manufacturing businesses in the FTSE 350 demonstrate exceptional resilience and adaptation (McKinsey & Company, 2023). They are implementing a critical tactic by diversifying their sources of supply, with the goal of decreasing their dependence on Russia and Ukraine and minimising the consequences of possible future interruptions (McKinsey & Company, 2023). This entails the identification of different providers in other geographical areas or maybe relocating manufacturing to be closer to domestic markets. Another crucial strategy is the reinforcement of stock reserves. Companies are establishing a reserve against potential scarcity and interruptions by augmenting their stock levels. This safeguards the continuity of operations and enables them to fulfil customer requirements throughout unpredictable times (Boston Consulting Group, 2023). Technologies are crucial to improving the resilience of supply chains. According to Accenture (2023), FTSE 350 companies are progressively allocating resources towards technological advances, such as machine learning and blockchain technology, with the aim of enhancing communication and openness in their supply chains. These innovations enable individuals to better identify and reduce risks, allowing businesses to predict and adjust to disturbances more quickly and efficiently. Companies are increasingly developing more robust connections with vendors, which are promoting transparent communication and enhanced collaboration (KPMG, 2023). This improved coordination guarantees that suppliers are more well equipped to handle disturbances and are able to respond quickly to fluctuating conditions, leading to a more robust and reactive logistics ecosystem.

Energy Price Fluctuations

Nerlinger and Utz (2022) examined the effects of energy costs on industrial productivity within the context of the Ukraine-Russia war. The study highlights Russia's crucial position as a primary supplier of petroleum products to Europe, suggesting that changes in energy costs were not just determined by economic factors but additionally affected by geopolitical factors. This emphasises the interdependence of international energy markets and geopolitical variables, especially in areas where renewable energies play a crucial role in financial operations (Zhang et al., 2024). The ongoing conflict between Ukraine and Russia has resulted in greater

confusion in the energy sector, which in turn has affected the operating expenses of manufacturing-related companies in the FTSE 350 index (Zhang et al., 2024). Manufacturing companies have difficulties effectively monitoring and predicting their petroleum-related expenditures when energy costs vary due to political issues.

The research conducted by Davis and White (2018) highlights the need for manufacturing companies to establish adaptable approaches in order to effectively deal with these modifications, since they have a direct impact on the companies' expenses and financial results in general (Reeves & Deimler, 2011). The susceptibility of industrial businesses in the FTSE 350 to variations in energy prices is worsened by the geopolitical dangers linked to the war between Ukraine and Russia. Fluctuations in energy costs may have a ripple effect on several facets of business activities, including expenses related to manufacturing, revenue margins, and overall viability in the market as a whole (Herman et al., 2023). When dealing with these difficulties, companies must take into account both immediate adaptations and enduring measures to guarantee their ability to withstand unforeseeable fluctuations in energy prices (Herman et al., 2023). FTSE 350 manufacturing enterprises operating in the context of the Ukraine-Russia conflict recognise the need for strategic energy management and risk mitigation measures. It is crucial to use proactive strategies in order to comprehend and address changes in energy prices, since this is necessary for preserving financial stability and ensuring consistent profitability. By implementing risk management strategies, companies can effectively predict and reduce the effects of energy price fluctuations caused by geopolitical events (Halkos & Tsirivis, 2019). This aligns with the more general conversations in the academic literature that emphasise the significance of the power risk administration for companies dealing with uncertain geopolitical conditions (Halkos & Tsirivis, 2019).

The outbreak of the crisis in Ukraine has had a significant impact on the worldwide energy sector, causing extraordinary price changes that have greatly concerned companies throughout the globe (International Energy Agency, 2023). FTSE 350 industrial enterprises, which depend largely on a reliable and foreseeable energy source, are now facing dangerous circumstances as they deal with the consequences of this political turmoil (International Energy Agency, 2023). The main issue is the interruption of supplies of energy that have historically been obtained from Russia, a significant producer and distributor of oil and natural gas (BBC, 2023). The market has become turbulent due to the combined effects of penalties, export limitations, and infrastructural delays. This volatility is characterised by abrupt increases in prices and unexpected fluctuations (Financial Times, 2023). These changes exert pressure on company profits, impair industrial planning, and create an atmosphere of anxiety over the future (The Economist, 2023).

The influence is complex and has several aspects. Escalating natural gas prices, a crucial factor in several sectors, immediately amplify the expenses of manufacturing, diminishing competitiveness (Reuters, 2023). This is exacerbated by the increasing cost of power, placing additional stress on operational funds (McKinsey & Company, 2023). The challenges are especially severe for industries that require energy, such as metals, chemicals, and concrete (McKinsey & Company, 2023). In addition to the current financial burdens, the ambiguity around forthcoming energy costs is a substantial obstacle. Businesses have difficulties effectively predicting manufacturing expenses and making well-informed investment choices in an unpredictable environment (KPMG, 2023). This reluctance may impede expansion and competitiveness over the long term.

On the other hand, companies in the FTSE 350 have shown exceptional tenacity and flexibility. They are implementing a critical tactic of diversifying the sources of their energy in order to decrease reliance on Russian supply and minimise the effects of unforeseen price fluctuations (Boston Consulting Group, 2023). This entails investigating alternate sources, such as green electricity, allocating resources to environmentally friendly initiatives, and even contemplating providers from other geographical locations. Another crucial strategy is the implementation of adaptable manufacturing processes. Through the optimisation of manufacturing plans and the implementation of agile production techniques, companies may effectively manage variable energy expenses and unforeseen interruptions (Accenture, 2023). In addition, companies are working diligently with governments, lobbying for actions to stabilise energy markets and alleviate the financial impacts of the crisis (EY, 2023). Cooperative endeavours between the sector and administration may have a pivotal impact on successfully traversing this complex terrain.

Currency Exchange Rate

Shim and Kalemli-Ozcan (2020) examine the monetary implications of fluctuations in currencies for large

corporations. They provide details about the difficulties encountered by FTSE 350 manufacturing companies involved in global trade during the conflict between Ukraine and Russia. The research underscores the need to implement efficient strategies for risk management to traverse the unknowns arising from changes in currencies while emphasising the interdependence between world events and the exchange rate of currencies. The conflict between Ukraine and Russia has resulted in a decrease in the value of the Russian ruble as well as unpredictable changes in various currencies, which have had an impact on the economic health of industrial companies in the FTSE 350 index (Ullah et al., 2023). The cost of importing commodities and the competitiveness of goods shipped abroad are seriously affected by fluctuations in foreign exchange rates as these enterprises participate in international trade (Ullah et al., 2023). Fluctuations in currency exchange rates provide difficulties for financial budgeting and scheduling for manufacturing businesses in the FTSE 350 (Xu et al., 2023). The Ukraine-Russia conflict's ambiguity hampers companies' ability to precisely predict and handle expenditures associated with currency (Xu et al., 2023). The presence of this unpredictability could result in heightened instability in business performance and require the formulation of flexible budgeting plans to minimise the hazards linked to currency fluctuations.

Additionally, FTSE 350 manufacturing companies need to take into account the tactical impact of fluctuations in the exchange rate of currencies on their worldwide performance. An abrupt fluctuation in currency exchange rates may have a significant effect on the comparative expenses of manufacturing in various areas, hence impacting choices about the delegation of work to external parties, relocation of operations overseas, and the general tactical position in the worldwide marketplace (Segal, 2021). To effectively address this geopolitical aspect, it is crucial to possess a thorough comprehension of the interconnections amongst geopolitical occurrences and the fluctuations in currency exchange rates (Segal, 2021). The interdependence of geopolitical occurrences and currency swings highlights the need for preemptive strategies for risk management to effectively handle the unpredictability caused by changes in rates of exchange related to the war.

The outbreak of the crisis in Ukraine has caused substantial turbulence in the global financial markets, resulting in substantial volatility in the exchange rates of currencies (International Monetary Fund, 2023). The variations in currencies provide a significant problem for FTSE 350 manufacturing firms, which primarily rely on global trade and are subjected to numerous currencies. These fluctuations have an influence on several aspects, including export competitiveness and the price of imports (International Monetary Fund, 2023). The core of the problem is the ambiguity over the length and consequences of the conflict. The violence has had a rippling effect on key economic growth, affecting worldwide economic forecasts and market mood (The World Bank, 2023). The presence of uncertainty leads to unpredictable fluctuations in currency values, posing challenges for companies in effectively predicting expenses, determining pricing, and mitigating risks (Financial Times, 2023). The effect on FTSE 350 companies is complex and has several aspects. The devaluation of the British pound may enhance the competitiveness of exports in global marketplaces while likewise raising the expenses of foreign supplies and parts (BBC, 2023). On the other hand, a more powerful pound may diminish the ability of a country to compete in exporting, but it may assist companies that rely significantly on importing.

Certain companies may experience unexpected windfalls as a result of swings in foreign exchange rates. According to Reuters (2023), exporters to the US might gain an advantage from a devalued pound, while those who primarily depend on markets in the Eurozone may face difficulties if the pound strengthens. Nevertheless, these advantages often have a limited duration and are difficult to anticipate, posing challenges for long-term strategizing. In addition to the direct financial consequences, variations in currency exchange rates have the potential to disrupt supply chains and impede the smooth flow of international commerce. The ongoing conflict has already resulted in interruptions to trade channels and shipping, and the volatile currency rates further complicate matters, rendering it challenging for companies to ensure trustworthy vendors and efficiently handle logistics (McKinsey & Company, 2023).

One of the main tactics of manufacturers is expansion, which involves expanding the markets for their products and sourcing from other currencies (KPMG, 2023). This decreases dependence on any one currency and lessens the effects of volatility. A different approach is using active hedges, which involve the use of financial products to more efficiently control currency exposures. Companies may effectively mitigate risks and safeguard their profit margins by using advanced hedging methods (Boston Consulting Group, 2023). In addition, companies have been working closely with governments, arguing for steps to stabilise currency

exchange rates and facilitate international commerce (EY, 2023). Coordinated endeavours between the sector and governments may significantly contribute to cultivating an increasingly foreseeable and steady financial atmosphere.

Governmental Changes

The conflict between Ukraine and Russia has culminated in a rise in military expenditures in many nations, redirecting expenditures that could have been allocated towards different sectors (Reuters, 2023). The change in government goals creates difficulties for FTSE 350 manufacturing firms, impacting their planning processes and decisions regarding investments. Reeves and Deimler (2011) emphasise the necessity for these companies to adjust to changes in government regulations and foresee the possible consequences for their day-to-day activities and financial results. The Ukraine-Russia war has significant implications for bilateral trade pacts, which are very sensitive to modifications in government policy. Changes in trade laws and treaties might affect the business operations of FTSE 350 manufacturers involved in international commerce (Garton et al., 2021). Government responses to political developments can result in changes in trade restrictions and taxes, which in turn can affect the cost structures and accessibility to markets for these enterprises (Garton et al., 2021). Tax regulations may be altered due to geopolitical circumstances. Authorities have the ability to modify tax rates or offer subsidies in order to bolster certain sectors impacted by the conflict between Ukraine and Russia (Guénette et al., 2022). FTSE 350 manufacturing enterprises must closely observe and adjust to these developments, taking into account the possible consequences on their financial performance and competitiveness in marketplaces.

Moreover, the research conducted by the OECD (2022) emphasises that alterations in governmental policy may have a role in the wider social and economic consequences of the Ukraine-Russia war. The distribution of assets, legal structures, and support systems offered by authorities has a pivotal impact on defining the comprehensive commercial setting for manufacturing businesses (OECD, 2022). Comprehending and addressing these developments are essential aspects of the business's strategic decision-making in light of geopolitical risks. The outbreak of the Ukraine-Russia war has instigated a series of alterations in governance practices globally, resulting in an atmosphere of unpredictability and intricacy for FTSE 350 manufacturing organisations (OECD, 2022). The modifications to policy include a wide range of sectors, including trade limitations, penalties, steps to ensure the security of energy, and financial involvement. These changes have broad and often unforeseeable effects on these companies (World Trade Organisation, 2023).

Trade is greatly affected in both obvious and substantial ways. According to the World Bank (2023), the penalties placed on Russia and Belarus have caused disruptions in distribution networks, restricted accessibility to raw resources, and presented challenges in the transportation of goods for imports and exports alike. Additionally, governments are imposing more stringent trade regulations on essential products, hence adding complexity to trade operations for producers (Financial Times, 2023). In addition to imposing restrictions, countries are implementing steps to enhance energy security as a reaction to the war's interruption of conventional energy sources. This encompasses the act of expanding the variety of energy sources, expediting the acceptance of renewable energy, and perhaps considering the implementation of price restrictions (International Energy Agency, 2023). These policies may have an effect on energy expenses for firms, hence impacting production costs and competitiveness. Modifications in fiscal policy interventions represent another crucial domain of transformation. Governments are augmenting military expenditures, establishing social security programmes to protect residents from escalating energy and food costs, and perhaps levying taxes to support these initiatives (International Monetary Fund, 2023). These modifications have the potential to impact demand from customers, the pace of inflation, and the general economic climate for manufacturers.

FTSE 350 companies are managing the challenges of the current volatile situation by using a variety of solutions. It is essential to diversify markets and suppliers to decrease dependence on any one nation or area and minimise the effects of modifications to policies in certain countries (KPMG, 2023). It is crucial to enhance the resilience of supply networks by storing essential commodities and investigating alternate sourcing possibilities (McKinsey & Company, 2023). Moreover, it is crucial to actively interact with politicians. By endorsing measures that bolster trade, enhance energy independence, and cultivate a steady business climate, companies may exert an impact on the regulatory environment and mould results that

advance their viability over the long run (Boston Consulting Group, 2023). The effect of these modifications on specific businesses will differ based on their particular sector, geographical reach, and risk mitigation tactics. Nevertheless, it is evident that the conflict between Ukraine and Russia has initiated a period characterised by increased government involvement and changes in policies, which require FTSE 350 manufacturers to possess agility, flexibility, and strategic vision.

Theoretical Review

Resource-Based View

According to the RBV hypothesis, a company's distinct assets and capabilities may lead to a long-lasting edge over competitors and exceptional financial success (Barney, 1991). Within the wider setting of the Ukraine-Russia conflict, the Resource-Based View (RBV) hypothesis offers a framework for examining how the distinct assets and competencies of manufacturing enterprises listed on the FTSE 350 may impact their economic performance (Góes et al., 2023). A vital commodity is the capacity to efficiently oversee and adjust the supply network in reaction to geopolitical disturbances. These results are consistent with the conclusions drawn by Góes et al. (2023) in their research on how geopolitical developments affect logistics networks. Their research highlights the need for implementing flexible methods.

Moreover, the RBV hypothesis posits that companies with expertise in managing risks, such as techniques to mitigate fluctuations in foreign exchange rates and prices for energy volatility, are likely to be more adept at overcoming the monetary challenges arising from the Ukraine-Russia war. Shim and Kalemli-Ozcan (2020) conducted a study regarding currency fluctuations that supports this viewpoint, highlighting the need to implement efficient risk management measures for global firms. Also, the RBV theory highlights the significance of intangible assets such as knowledge of organisations and management skills. Amid geopolitical crises, FTSE 350 manufacturing enterprises must possess the capacity to comprehend and effectively adapt to changing objectives in government initiatives. The research conducted by Kilfoyle (2023) about the government's actions and the business atmosphere during the Ukraine-Russia war enhances the RBV theory by emphasising the significance of comprehending and adjusting to fluctuations in defence expenditure.

Empirical Review

Ahmed et al. (2022) investigated the impact of the Russia-Ukraine war on European stock markets. The researchers utilised the event research methodology to examine the responses of shareholders. The researchers acknowledge the Donetsk and Luhansk areas of eastern Ukraine as two autonomous nations. The research used the European Union 600 STOXX index. The study showed that the event resulted in the unconventionally dismal performance of European stocks. The war had a significant effect on small and medium-sized enterprises. The researchers assert that shareholders have regarded the situation with the utmost seriousness while also exerting influence on global marketplaces. Lastly, the researchers contend that if the conflict continues for an extended period, it will have a significant impact on the financial situation of the world.

The COVID-19 epidemic impact on 15 financial markets in Asia, Europe, and the United States was studied by Frezza et al. (2020), who used the multifractional Brownian motion as their pricing dynamics model. The results, which confirmed prior investigations, also verified the presence of market inefficiencies throughout the COVID19 pandemic. Nevertheless, the discoveries suggested that Asian markets had completely regained their effectiveness levels before the financial crisis.

Summary and Knowledge Gap

The study investigates the influence of geopolitical events, notably the Ukraine-Russia conflict, on the financial performance of manufacturing enterprises featured on the FTSE 350 index. The study examines different aspects, such as the capacity of the supply network to withstand disruptions, changes in energy prices, deviations in currency exchange rates, and shifts in governmental regulations, in order to understand the complex problems and possibilities that these companies encounter in the face of unstable geopolitical conditions. The research conducted by Shivakumar et al. (2022) examines the susceptibility of supply networks to disturbances resulting from the Ukraine-Russia war, highlighting the need for adaptable measures. Shim and Kalemli-Ozcan (2020) provide valuable insights into the consequences of energy price volatility, especially for

industrial companies that heavily depend on Russia as a significant provider of natural gas. The study conducted by Xu et al. (2023) investigates how fluctuations in exchange rates of currencies affect the finances of international organisations.

Although previous research has provided insights into several aspects of the financial performance of manufacturing businesses in the FTSE 350 during the Ukraine-Russia conflict, there is still a significant vacuum in information. The existing body of literature offers valuable perspectives on distinct facets such as the durability of supply chains, variations in energy costs, changes in currency values, and governmental policies. However, there is a desire for a complete study that incorporates all of these elements to give a thorough comprehension of the financial movements. Moreover, there is a lack of extensive investigation into the strategic measures taken by companies in the FTSE 350 index to traverse the intricacies brought up by the Ukraine-Russia war. An all-encompassing investigation that combines these elements might greatly help in closing the current gap in knowledge and provide practical insights for both academic and industrial participants.

METHODOLOGY

Introduction

The technique used in this research involved a comprehensive examination of the available literature on the subject matter. To fulfil the purpose and goals of the research, it was essential to analyse, compile, synthesise, and summarise previously conducted investigations in this field. The research is going to utilise pertinent preexisting data for additional analysis. Through the utilisation of secondary studies, the researcher investigated previous studies that pertain to the subject matter and yield valuable insights regarding the influence of the brief time frame between the initiations of the Russia-Ukraine conflict on the financial performance of FTSE 350 businesses in the United Kingdom. The investigator gained a thorough understanding of the existing knowledge on the topic. Additionally, the use of secondary research guaranteed that the investigation was backed by suitable philosophical frameworks (Cheng & Phillips, 2014).

Research Philosophy

The research philosophy is an essential component of every investigation since it directs the investigator's methods for gathering, decoding, and analysing data. When analysing the financial performance of the manufacturing enterprises in the FTSE 350 during the Ukraine-Russia conflict, it is important to choose the right research philosophy. Positivism is a view of philosophy that highlights the inescapable reality of outside phenomena and the legitimate application of scientific data to comprehend events (Guba & Lincoln, 1994). Positivism is an appropriate method for doing financial research on production companies in the FTSE 350. Positivist academics use quantitative data and mathematical methods, which are well-suited to the measurement focused characteristics of financial performance measures (Bryman, 2015).

Quantitative data, such as financial statements and market metrics, offer a precise and statistical comprehension of the influence of the Ukraine-Russia conflict on the FTSE 350 companies. Conversely, interpretivism emphasises comprehending the personal significance and interpretation of people within a social framework (Denzin & Lincoln, 2018). When assessing the financial results, an interpretative method may entail examining the qualitative features of the businesses' reactions to the conflict. This might involve carrying out interviews with influential individuals, such as senior managers and shareholders, to get useful knowledge into their perspectives and ways of thinking while dealing with geopolitical uncertainty. Pragmatism supports the use of many approaches based on the specific nature of the investigation's issue, with a focus on achieving real-world outcomes (Creswell & Creswell, 2017). This enables the researcher to integrate both qualitative and quantitative approaches by including financial data in conjunction with interviews or case studies in order to get a thorough comprehension of the fiscal health of the businesses. This research assumes an optimistic viewpoint for many different reasons. According to Ahmed (2008), positivists maintain the view that genuine reasons precede effects or results. Positivism places significant emphasis on the inclusion of theory or hypotheses, as stated by Ahmad (2008). Ahmed (2008) also posits that the brief time frame between the initiation of the Russia-Ukraine war and recovering from the COVID-19 pandemic would adversely affect the FTSE 350 Company's financial results.

Research design and approach

This research used documentation evaluation and record examination, which allow the investigator to use secondary data obtained from publicly available sources. This research utilised quantitative and secondary data. Thompson (2017) defines “secondary data” as pre-existing data that may be accessed in the form of reports, databases, or webpages maintained by organisations. This research used inference-based statistics. Through the use of inferential statistical methods, the investigator ascertained the reliability of a discovered correlation among multiple data sets by distinguishing whether or not it is probable to be a result of chance or a predictable pattern (Pfleger, 2022). Moreover, inferential statistics enabled the ability to derive conclusions or predictions that extend beyond the available data. The determination as to whether the conclusions drawn from the study participants may be generalised to the full demographic was guided by the use of inferential statistics (Pfleger, 2022).

Data sources and research instruments

The data collection instrument for this project included accessing existing available or recorded information from educational materials, papers, database systems, or articles through desktop research. This study conducted a search on computerised databases such as Scopus, Science Direct, Google Scholar, and ResearchGate using terms such as “financial performance,” “marketplace effectiveness,” “Russia-Ukraine war,” and “supply chain.” The exceptional quality of the study papers influenced the choice of these databases. Upon reviewing the title and summary for each resource, the complete material was thoroughly read. The use of Google searches was employed to retrieve unknown material in order to mitigate any bias in the research. The analysis of the obtained information involved the application of a diverse set of standards for determining what is included and what is excluded. Only research done in English was included in this category. In order to offer a comprehensive and reliable body of information, this study used a diverse array of investigation methodologies, including quantitative and blended approaches. In order to enhance the comprehensiveness of data gathering and the accuracy of their conclusions, research conducted outside of the United Kingdom was selected. In order to guarantee the collection of enough and dependable data, the researcher chose pertinent studies from previous research. Only investigations done throughout the timeframe of 2020–2024 were employed to substantiate the conclusions of the current study. This spans both supply chain resilience and the war between Russia and Ukraine. In order to assure simplicity and cost-effectiveness in interpreting and analysing the findings, the research concentrated on studies completed in the English language. The research used quantitative data obtained from UK FTSE 350 manufacturing businesses for the years 2021 to 2024, specifically for examining the financial performance analysis. Financial data is going to be extracted from the businesses’ accounting records available in the Bloomberg databases. Companies without adequate financial data are going to be excluded from the sample.

Specification of the Model

The study’s data was assessed employing the t-test, which was employed to ascertain whether or not there exists a noteworthy disparity amongst the means of two data sets. The research employed the t-test to ascertain whether or not there exists a statistically noteworthy disparity in the financial results of firms throughout the period of the war between Russia and Ukraine (2021–2023). The hypothesis behind the research was assessed with a t-test on Microsoft Excel. The t-test formulated a problem statement by presuming the equality of two means in a null hypothesis, based on samples taken from two distinct collections of data. This research project calculated particular numbers while comparing them to conventional values using the relevant Excel procedures. The proposed null hypothesis was either accepted or rejected. Rejecting the null hypothesis indicated that the data sets exhibited significant strength rather than being just random. This implied that the economic success of UK FTSE 350 firms over the specified years was significantly influenced by the war between Russia and Ukraine.

Limitations of the proposed research

The benefits of using the secondary study technique include the capacity to consolidate the data of several investigations into a solitary report and the cost-effectiveness associated with this approach (Pfleger, 2022). Nevertheless, there are also some disadvantages to consider. The data’s originating proprietors may have neglected to reveal the conditions, presumptions, and various other aspects that might have impacted their investigation. The researchers often fail to provide a substantial amount of the datasets utilised during the

original investigations (Martins et al., 2018; Thompson, 2017). When using inferential statistical methods, it is important to note that estimations derived from the number of participants are not completely precise. There is an appropriate amount of unpredictability involved (Pfleger, 2022).

Ethical considerations

Participants had little to no involvement in this research. Consequently, ethical approval, security, and secrecy were unnecessary. Nonetheless, the process of gathering and examining data may be significantly shaped by the investigator's subjective viewpoint or predisposition, since people possess unique experiences and perspectives that impact their own interpretations of phenomena (Krauss, 2005). According to Krauss (2005), the research philosophy that is chosen might have an impact on how the data is understood and conveyed during a study. Transparency regarding the selected ontology and philosophy of the research is crucial in a positivist context (Burr, 1995). According to Korstjens and Moser (2017), this allows readers to assess the trustworthiness of the data that is being presented. Therefore, any assumptions formed throughout the study were explained and thoroughly examined to improve the accuracy and reliability of the research results (Powell, 2019).

RESEARCH FINDINGS

Introduction to the section

The study conducted financial performance evaluations based on the organisations' debt level ratio, gross profit margin, return on assets, and sustainable finance ratio, utilising data from the organisations' financial statements displayed in Table 4.1. The currencies and units in the financial reports of the businesses are being retained in their original form to prevent the uncertainty associated with conversion when they are transformed into ratios. As shown in Figures 4.1-4.10, bar graphs are used to show the ratios that show the differences in how well businesses did financially during the two sets of the financial year that is being looked at.

Results including graphical illustrations

Table 4.1: Computed Financial Ratios of the FTSE 350 sampled firms

ID	COMPANY	FINANCIAL RATIO	FINANCIAL YEAR	FINANCIAL YEAR
			31-Dec-22	31-Dec-23
1	BAT	Debt level ratio	0.61	0.58
		Gross profit margin	70.1	82.68
		Return on Assets	4.7	5.80
		Sustainable Finance Ratio	-23.52	-258.17
2	Asian Dragon Trust PLC	Debt level ratio	5.80	5.34
		Gross profit margin	100.00	100.00
		Return on Assets	5.27	11.43
		Sustainable Finance Ratio	-34.85	0.95
3	Centrica	Debt level ratio	3.56	21.69
		Gross profit margin	8.61	14.85
		Return on Assets	-2.3	16.0
		Sustainable Finance Ratio	46.2	-160.6

4	Admiral group	Debt level ratio	0.77	1.28
		Gross profit margin	62.0	17.7
		Return on Assets	4.31	4.13
		Sustainable Finance Ratio	-113.48	-156.56
5	Barclays PLC	Debt level ratio	20.78	20.55
		Gross profit margin	100.00	100.00
		Return on Assets	0.41	0.33
		Sustainable Finance Ratio		
6	Bellway PLC	Debt level ratio	3.08	3.09
		Gross profit margin	12.5	19.0
		Return on Assets	48.06	72.85
		Sustainable Finance Ratio	-53.43	-77.52
7	Coca-Cola HBC AG	Debt level ratio	2.50	2.63
		Gross profit margin	61.00	60.68
		Return on Assets	11.17	10.50
		Sustainable Finance Ratio	-30004.91	-28.10
8	Diageo PLC	Debt level ratio	28.4	2.83
		Gross profit margin	61.3	60.1
		Return on Assets	9.49	10.74
		Sustainable Finance Ratio	-14.91	-1704.49
9	Moonpig Group PLC	Debt level ratio		
		Gross profit margin	49.3	58.5
		Return on Assets	14.37	19.98
		Sustainable Finance Ratio	16.51	12.65
10	Ashmore Group PLC	Debt level ratio	7.91	10.09
		Gross profit margin	3.48	4.26
		Return on Assets	9.63	9.94
		Sustainable Finance Ratio	-88.25	-99.51

Source: London Stock Exchange (2023).



Figure 4.1: Financial performance of British America Tobacco (BAT) during the period of Russia-Ukraine war



Figure 4.2: Financial performance of Asian Dragon Trust PLC during the period of Russia-Ukraine war

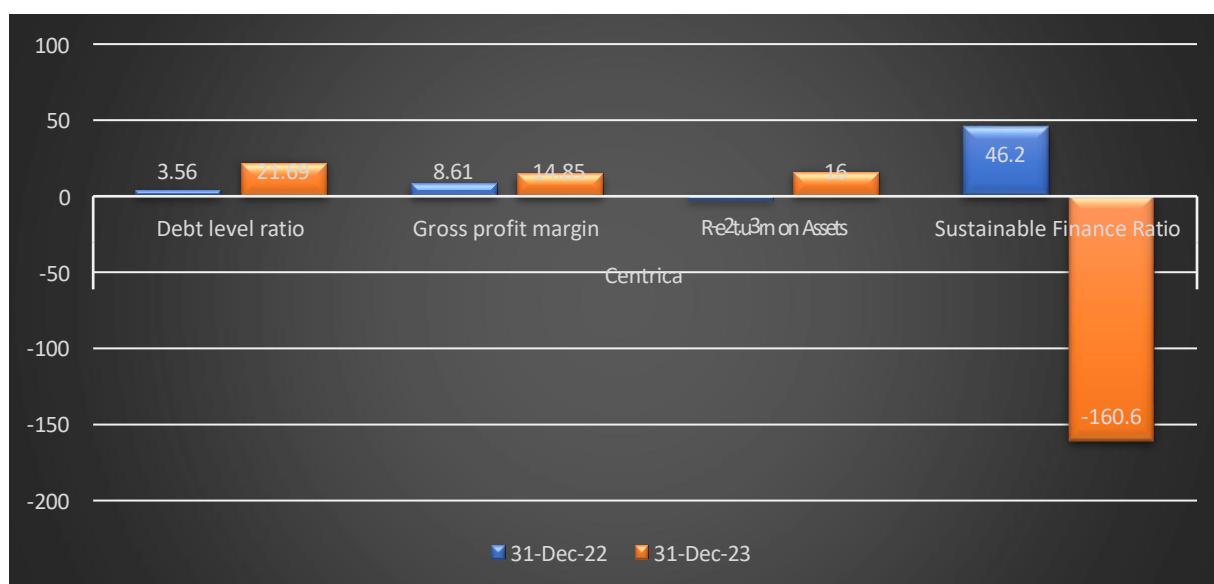


Figure 4.3: Financial performance of Centrica during the period of Russia-Ukraine war

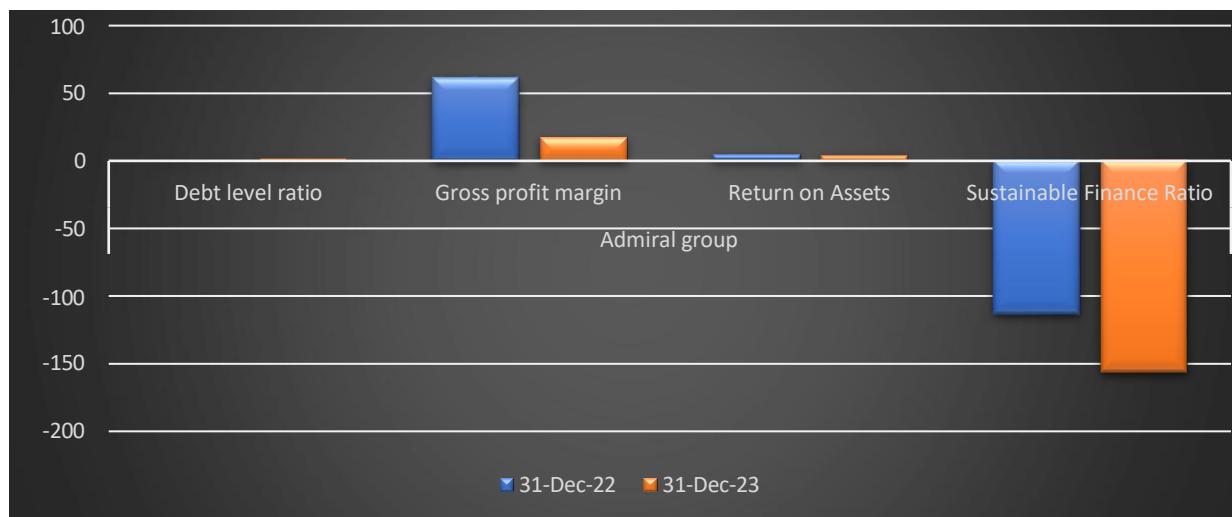


Figure 4.4: Financial performance of Admiral Group during the period of Russia-Ukraine war

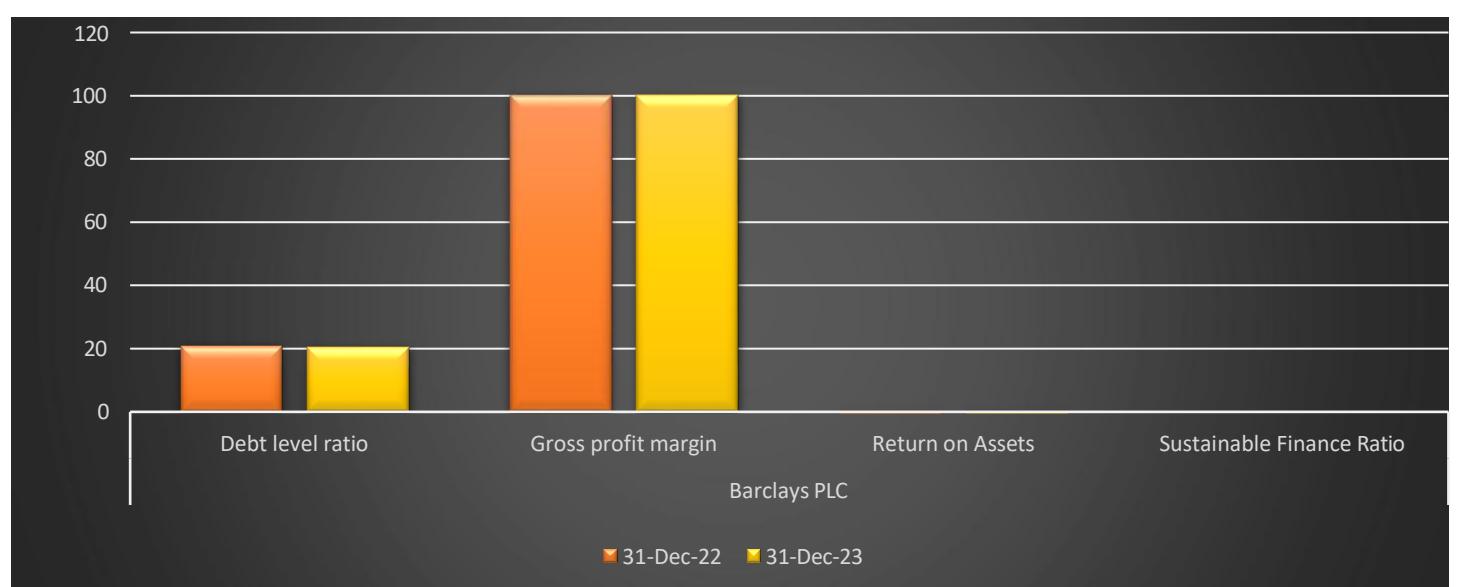


Figure 4.5: Financial performance of Barclays PLC during the period of Russia-Ukraine war

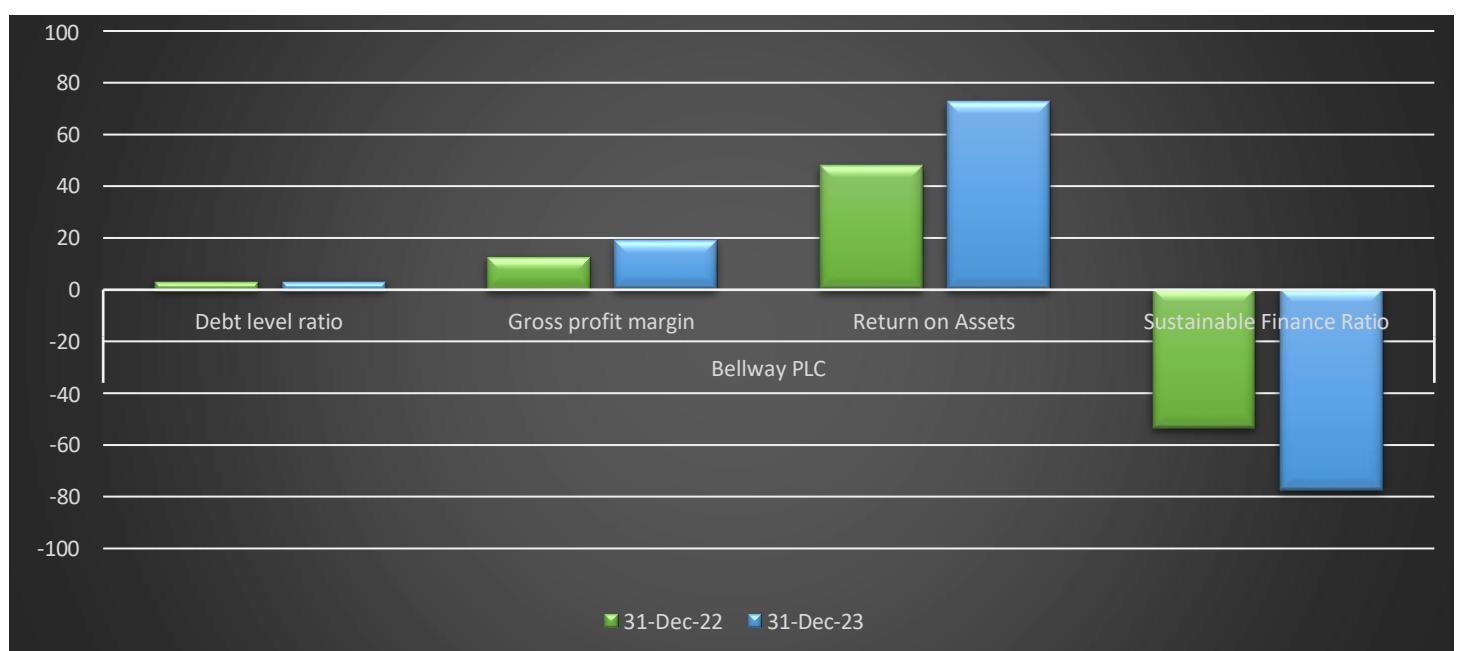
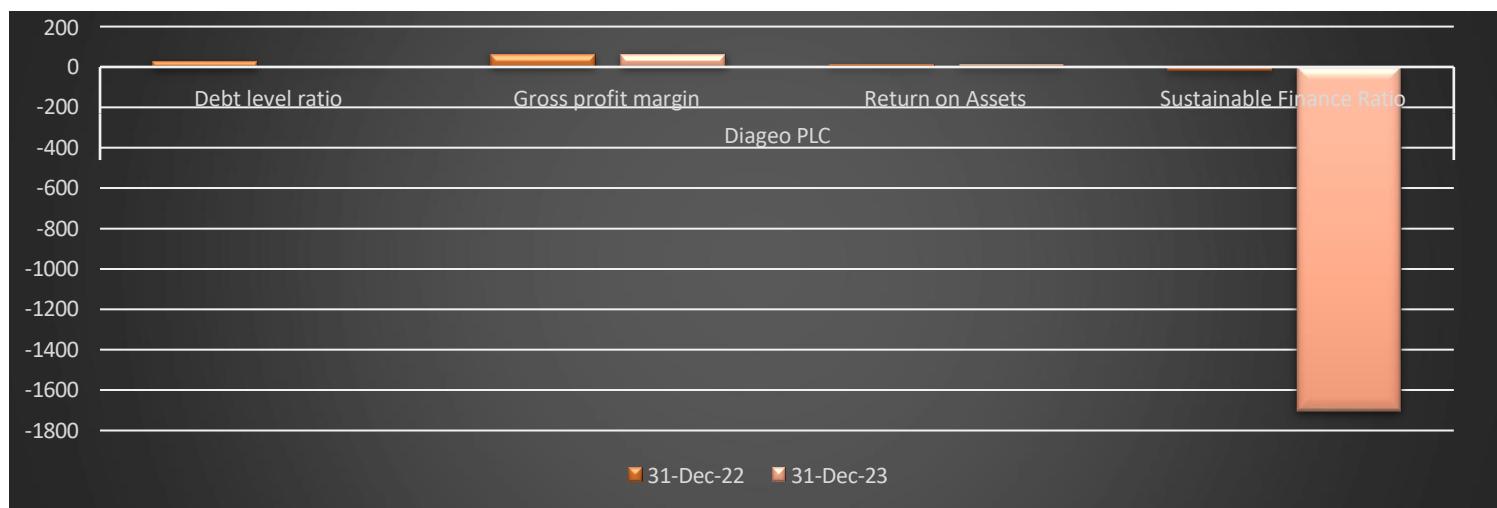
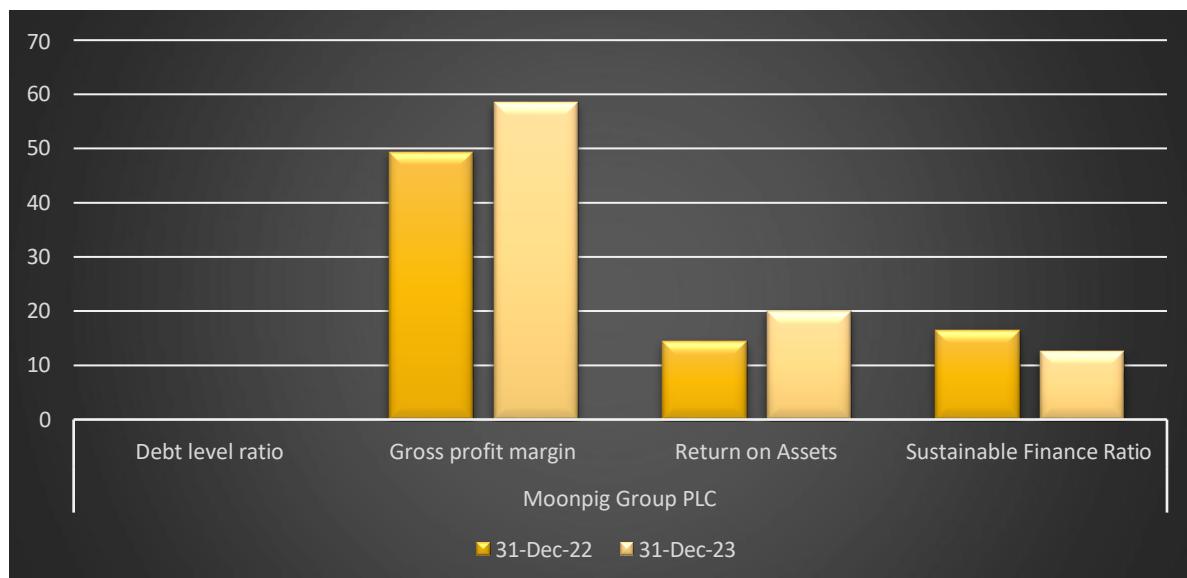


Figure 4.6: Financial performance of Bellway PLC during the period of Russia-Ukraine war

Figure 4.7: Financial performance of Coca-Cola HBC AG during the period of Russia-Ukraine war

Figure 4.8: Financial performance of Diageo PLC during the period of Russia-Ukraine war

Figure 4.9: Financial performance of Moonpig Group PLC during the period of Russia-Ukraine war

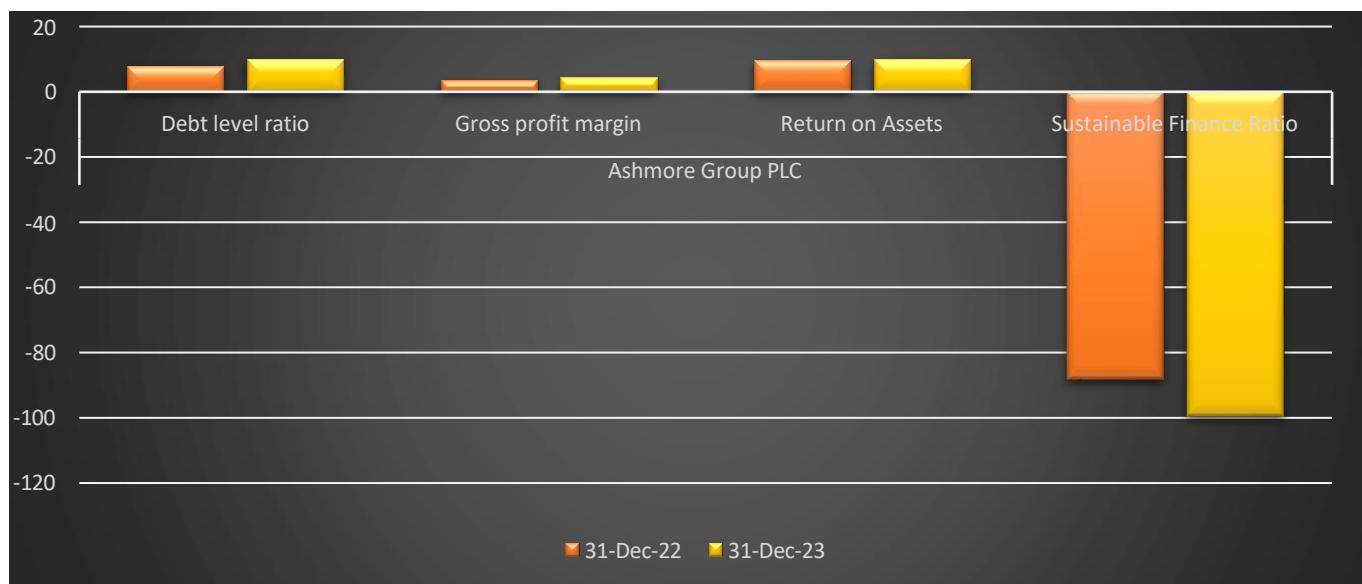


Figure 4.10: Financial performance of Ashmore Group PLC during the period of Russia-Ukraine war

Analysis Of the Findings

Evaluation of Findings

This section discussed about the analysis of the results that was presented in the previous chapter which were done according to the study objectives. The detailed findings of the financial assessment of the FTSE 350 firms that were chosen were analysed below.

The financial Assessment of the FTSE 350 firms during Russia-Ukraine war

British American Tobacco (BAT) demonstrates noteworthy changes in key financial ratios between the financial years ending on December 31, 2022, and December 31, 2023. The debt level ratio for BAT has decreased from 0.61 to 0.58 over this period, suggesting a reduction in the company's reliance on debt financing (Table 1). This reduction can be seen as a positive indicator, as it may enhance the company's financial stability and reduce potential financial risks associated with high levels of debt (Hayes, 2023). Simultaneously, BAT's gross profit margin has experienced a significant increase from 70.1% to 82.68%. This improvement signifies enhanced profitability, potentially resulting from effective cost management or increased sales revenue (Maverick, 2020). A higher gross profit margin is generally considered favourable, as it indicates a greater proportion of revenue retained after covering the cost of goods sold.

BAT's return on assets (ROA) has also shown positive movement, increasing from 4.7% to 5.80%. ROA measures the company's ability to generate profits from its assets, and this increase suggests improved asset utilisation or operational efficiency (Hargrave, 2022). The rise in ROA reflects positively on BAT's operational performance and its capacity to generate earnings relative to its asset base. However, the Sustainable Finance Ratio for BAT has exhibited a substantial shift from -23.52 to -258.17. This negative change raises concerns about BAT's sustainable financing practices. Sustainable Finance Ratios consider the alignment of financial activities with environmental, social, and governance (ESG) criteria (Lozano et al., 2019). The drastic decrease suggests potential challenges or adverse impacts on BAT's commitment to sustainability. The implications of these findings are multi-faceted. The reduction in debt level ratio aligns with financial prudence, enhancing BAT's resilience to economic uncertainties and potential interest rate fluctuations (Rawdanowicz, 2014). The increased gross profit margin and ROA indicate operational effectiveness, contributing to overall financial health. Nevertheless, the substantial negative shift in the Sustainable Finance Ratio calls for attention, as it may affect BAT's reputation among socially responsible investors and stakeholders concerned with ESG practices.

Asian Dragon Trust PLC exhibited a decrease in its debt level ratio from 5.80 to 5.34 over the specified periods. While a lower debt level ratio generally signifies improved financial leverage, the company's gross profit margin remained consistently high at 100.00%. This stability in profitability may indicate robust operational efficiency or a focus on high-margin products or services. Additionally, the return on assets increased from 5.27% to 11.43%, suggesting enhanced efficiency in utilising its assets to generate profits. However, a notable shift is observed in the Sustainable Finance Ratio, moving from -34.85 to 0.95. This shift may reflect a transition towards more sustainable financial practices. A positive sustainable finance ratio aligns with a company's commitment to environmental, social, and governance (ESG) principles, indicating a potential shift towards responsible and sustainable business practices (Ahmad et al., 2023).

On the other hand, Centrica experienced a significant increase in its debt level ratio from 3.56 to 21.69. This substantial rise raises concerns about the company's increased financial leverage and potential challenges in debt servicing. The gross profit margin, however, saw an improvement from 8.61% to 14.85%, indicating enhanced profitability. Despite the negative return on assets in the initial period (-2.3%), Centrica demonstrated a positive shift, reaching 16.0% in the subsequent period. This improvement suggests effective asset utilisation and a positive trajectory towards generating returns. The sustainable finance ratio for Centrica experienced a significant fluctuation, moving from 46.2 to -160.6. This drastic change may reflect challenges in aligning financial practices with sustainable principles. The negative Sustainable Finance Ratio raises questions about the company's commitment to sustainable finance practices and potential reputational risks associated with environmental and social responsibility (Lee & Suh, 2022).

Admiral Group exhibited a slight increase in its debt level ratio from 0.77 to 1.28. While this suggests a modest increase in financial leverage, the gross profit margin experienced a significant decline from 62.0% to 17.7%. This decline may raise concerns about the company's operational efficiency and ability to maintain profitability. Despite a slight decrease in return on assets from 4.31% to 4.13%, the sustainable finance ratio showed a negative shift from -113.48 to -156.56. This indicates potential challenges in aligning financial practices with sustainability principles. Barclays PLC, a financial institution, maintained a relatively stable debt level ratio, changing from 20.78 to 20.55. With a consistent gross profit margin of 100.00%, the bank showcased a robust operational position. However, the low return on assets, slightly decreasing from 0.41% to 0.33%, may indicate challenges in optimising asset utilization. Notably, the Sustainable Finance Ratio data is missing, making it challenging to assess Barclays' alignment with sustainable finance practices.

Bellway PLC experienced a marginal increase in its debt level ratio from 3.08 to 3.09. The gross profit margin saw an improvement from 12.5% to 19.0%, indicating enhanced profitability. The substantial increase in return on assets from 48.06% to 72.85% suggests effective asset utilisation and a positive trajectory towards generating returns. However, the Sustainable Finance Ratio showed a negative shift from -53.43 to -77.52, indicating potential challenges in aligning financial practices with sustainability principles. Coca-Cola HBC AG displayed a slight increase in its debt level ratio from 2.50 to 2.63. The gross profit margin remained relatively stable, changing from 61.00% to 60.68%. Despite a slight decrease in return on assets from 11.17% to 10.50%, the company maintained a positive trajectory in asset utilization. Nevertheless, the Sustainable Finance Ratio experienced a drastic negative shift from -30004.91 to -28.10.

Admiral Group exhibited a slight increase in its debt level ratio from 0.77 to 1.28. While this suggests a modest increase in financial leverage, the gross profit margin experienced a significant decline from 62.0% to 17.7%. This decline may raise concerns about the company's operational efficiency and ability to maintain profitability. Despite a slight decrease in return on assets from 4.31% to 4.13%, the sustainable finance ratio showed a negative shift from -113.48 to -156.56. This indicates potential challenges in aligning financial practices with sustainability principles. Diageo PLC displayed a significant decrease in its debt level ratio from 28.4 to 2.83. Despite a relatively stable gross profit margin, changing from 61.3% to 60.1%, the company showcased operational consistency. The return on assets slightly increased from 9.49% to 10.74%, indicating improved efficiency in generating returns. Conversely, the Sustainable Finance Ratio showed a negative shift from -14.91 to -1704.49, suggesting potential challenges in aligning financial practices with sustainability principles.

Moonpig Group PLC, with missing debt level ratio data, displayed an increase in gross profit margin from 49.3% to 58.5%. The return on assets also saw a notable increase from 14.37% to 19.98%, indicating efficient

asset utilization. The Sustainable Finance Ratio demonstrated a positive shift from 16.51 to 12.65, suggesting an improved alignment with sustainable finance practices. Ashmore Group PLC experienced a marginal increase in its debt level ratio from 7.91 to 10.09. The gross profit margin saw a slight improvement from 3.48% to 4.26%, indicating enhanced profitability. The return on assets remained relatively stable, changing from 9.63% to 9.94%. However, the Sustainable Finance Ratio showed a negative shift from -88.25 to -99.51, indicating potential challenges in aligning financial practices with sustainability principles.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The examination of the financial performance of FTSE 350 manufacturing firms under the circumstances of the Ukraine-Russia war provides valuable insights into the challenges and opportunities faced by these companies in a complex geopolitical environment. The analysis encompassed key financial ratios, including debt levels, gross profit margins, return on assets, and sustainable finance ratios. The implications drawn from these metrics shed light on the firms' ability to navigate disruptions caused by the conflict and make informed decisions in response to the evolving economic landscape.

The debt level ratio, a crucial indicator of financial leverage, revealed varying degrees of resilience among the examined firms. Some companies demonstrated prudent debt management practices, while others experienced fluctuations that could impact their financial stability. The gross profit margin, reflecting operational efficiency, showcased divergent trends, indicating differences in how firms adapted to the challenges posed by the conflict. Return on assets, a measure of asset utilisation, provided insights into the effectiveness of companies in generating returns from their resources, with notable variations across the sample. One of the notable findings was the Sustainable Finance Ratio, which gauges a company's commitment to environmentally and socially responsible practices. The analysis of this ratio revealed significant disparities, suggesting that not all FTSE 350 manufacturing firms have uniformly integrated sustainable finance considerations into their decision-making processes. This divergence underscores the need for closer scrutiny of corporate practices and potential areas for improvement in aligning financial strategies with sustainability goals.

The implications for stakeholders, including investors, policymakers, and the companies themselves, are multifaceted. Investors seeking sustainable and resilient portfolios should carefully consider the variations in sustainable finance practices among these manufacturing firms. Policymakers may find the insights valuable in crafting targeted interventions or incentives to encourage a more sustainable and resilient industrial sector (UNEP, 2015). For the companies themselves, the analysis provides a basis for strategic reflection and potential adjustments to enhance financial stability and align with evolving sustainability expectations. Moreover, the findings underscore the importance of a holistic approach to financial analysis, considering not only traditional financial metrics but also sustainability indicators. Companies that successfully incorporate sustainable finance practices into their operations may gain a competitive edge in the market and foster stronger relationships with stakeholders in an era of growing awareness of environmental and social responsibilities (Peláez et al., 2023). As the Ukraine-Russia conflict continues to unfold, the financial landscape for FTSE 350 manufacturing firms will likely remain dynamic. Ongoing geopolitical uncertainties, supply chain disruptions, and shifts in consumer behaviours necessitate continuous monitoring and adaptive strategies. The comprehensive analysis presented in this study serves as a foundational exploration, encouraging further research and a nuanced understanding of how manufacturing firms can thrive amidst geopolitical challenges.

Recommendations

FTSE 350 manufacturing firms should prioritise prudent debt management to mitigate financial risks associated with geopolitical uncertainties. Developing robust risk mitigation strategies, such as diversifying funding sources and optimising debt structures, can contribute to financial resilience during turbulent times (Kenton, 2023).

Companies should focus on enhancing operational efficiency to withstand disruptions caused by the conflict. Streamlining supply chain processes, optimising production workflows, and leveraging technology to adapt to

changing consumer behaviours can contribute to maintaining or improving gross profit margins (Fernandez et al., 2023).

The wide variations in sustainable finance ratios among the analysed firms underscore the need for a more concerted effort to integrate sustainability into financial decision-making. Adopting environmentally and socially responsible practices not only aligns with global expectations but can also enhance a company's reputation and long-term viability (Vuong & Bui, 2023).

Amidst geopolitical uncertainties, investing in research and development becomes crucial for FTSE 350 manufacturing firms. Innovation can lead to the development of resilient products, diversification of revenue streams, and the ability to adapt to changing market dynamics, contributing to long-term financial sustainability (Annechien et al., 2023).

Companies should adopt a comprehensive approach to risk management that goes beyond financial metrics. This includes actively monitoring geopolitical risks, assessing the impact of currency exchange rate fluctuations, and staying informed about regulatory changes. A proactive risk management strategy can enable firms to anticipate challenges and respond effectively (Afifa & Santoso, 2022).

Transparent communication with stakeholders, including investors, customers, and the public, is vital during times of geopolitical uncertainty. FTSE 350 companies should proactively communicate their strategies for navigating challenges, emphasising their commitment to sustainability, and addressing concerns related to financial performance.

Collaborative efforts within the industry and participation in relevant associations can provide FTSE 350 manufacturing firms with a collective platform to address common challenges. Sharing best practices, insights, and coordinating efforts can lead to more effective strategies for navigating the impact of the Ukraine-Russia conflict (Liu & Shu, 2023).

Limitations and Implications for Future Research

One of the primary limitations pertains to the availability and comprehensiveness of data. Financial reports and disclosures from companies may vary in detail and transparency, impacting the depth of the analysis. Incomplete or unreported data, particularly regarding sustainable finance practices, can hinder a comprehensive understanding of the firms' performance (Lo et al., 2017).

Geopolitical events are highly dynamic and subject to rapid change. The study focuses on a specific timeframe, and subsequent geopolitical developments may have influenced the financial landscape of the analysed firms differently. Future research should consider the evolving nature of geopolitical events and their potential impact on financial performance.

Future research should consider longitudinal studies that track the financial performance of FTSE 350 manufacturing firms over an extended period. This approach would enable a more in-depth exploration of the sustained impacts of geopolitical events and provide a clearer understanding of trends and patterns.

Complementing quantitative analyses with qualitative insights can offer a more comprehensive understanding of how companies strategize and adapt during geopolitical disruptions. Interviews, surveys, and case studies could provide nuanced perspectives on decision-making processes and the effectiveness of implemented strategies (Knott et al., 2022).

Addressing the challenges associated with sustainability metrics calls for the development of an enhanced framework that considers industry-specific nuances. Future research could contribute to the establishment of standardised sustainability metrics, facilitating more accurate assessments of companies' commitment to sustainable finance.

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