

EPR Summit

Thriving in an era of
Geopolitical Turbulence

September 16, 2026



Together with EY-Parthenon's transformative strategy and transactions.

This material has been prepared for general informational and educational purposes only and is not intended, and should not be relied upon, as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

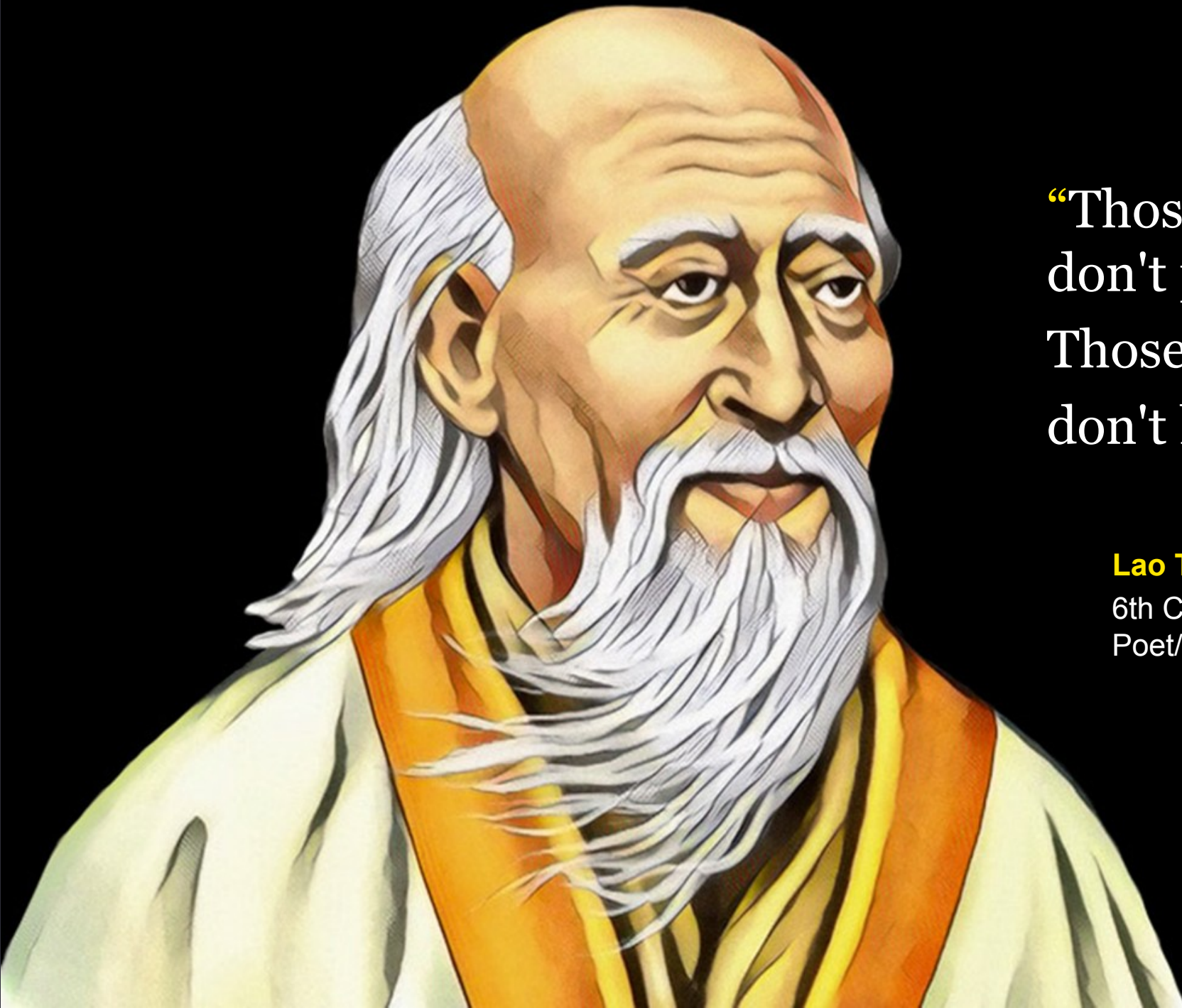
Neither the EY organization nor any of its member firm thereof shall bear any responsibility whatsoever for the content, accuracy, or security of any third-party websites that are either linked (by way of hyperlink or otherwise) or referred to in this presentation.

The views of the presenter are not necessarily the views of the global EY organization or its member firms. Moreover, they should be seen in the context of the time they were made.



Managing Director EY-P
(Global Head - Packaging M&A)
Managing Partner EY-P Canada
(Industrials & Energy Leader)

[Ken Brooks | LinkedIn](#)



“Those who have knowledge,
don't predict...
Those who predict,
don't have knowledge.”

Lao Tzu

6th Century BC Chinese
Poet/Philosopher

Polling question 1



What is your top business concern for the year ahead?

- A Inflation
- B Geopolitical/political instability
- C Low growth/recession
- D Supply chain disruptions
- E Tariff uncertainty

Three long-term structural trends are reshaping the business environment

1

High political turnover, populist influences strong

1. Taxation
2. Public Spending
3. Sustainability
4. Immigration
5. Deregulation

2

Rise in economic competition between States

1. Nearshoring ☾
Friendshoring ☾
Onshoring
2. From strategic to non-strategic sectors
3. From products to tech, software, data, & IP

3

Geopolitical rivalry – a new great game?

1. Wars and conflicts
2. Water, space and cyberspace
3. Geo-energy raw materials and value chains
4. Financial system

Global economic forces and mega trends

Resilience but easing growth

- The global **economy remains resilient** but is increasingly shaped by shifting trade patterns, demographic pressures, evolving labour markets and rapid AI investment.
- Global **real GDP growth is projected to ease slightly**, from 3.3% in 2025 to 3.1% in 2026.

Slower developed market growth

- Developed markets **face a mix of structural and cyclical headwinds** — ageing populations, chronic underinvestment, immigration constraints and rising protectionism.
- We anticipate **developed market growth to ease from 1.7% in 2025 to 1.5% in 2026**.

Uneven emerging market growth

- 📈 Emerging markets show **uneven but firmer momentum**, supported by resilient concentrated demand and targeted policy measures.
- We anticipate emerging markets **growth to ease from 4.5% in 2025 to 4.1% in 2026**.

Tariff-led inflation divergence

- 📈 📉 Global inflation is easing but remains uneven. Tariffs are keeping prices higher in some economies, while others see demand and commodity-driven disinflation.
- We anticipate **global headline inflation to average 2.8% in 2026** after 3.3% in 2025.

Bifurcated monetary policy

- Monetary policy remains bifurcated, with major **developed-market central banks acting cautiously amid inflation uncertainty**.
- **Emerging-market central banks balance modest cuts with a defensive stance** to manage inflation and currency pressures.

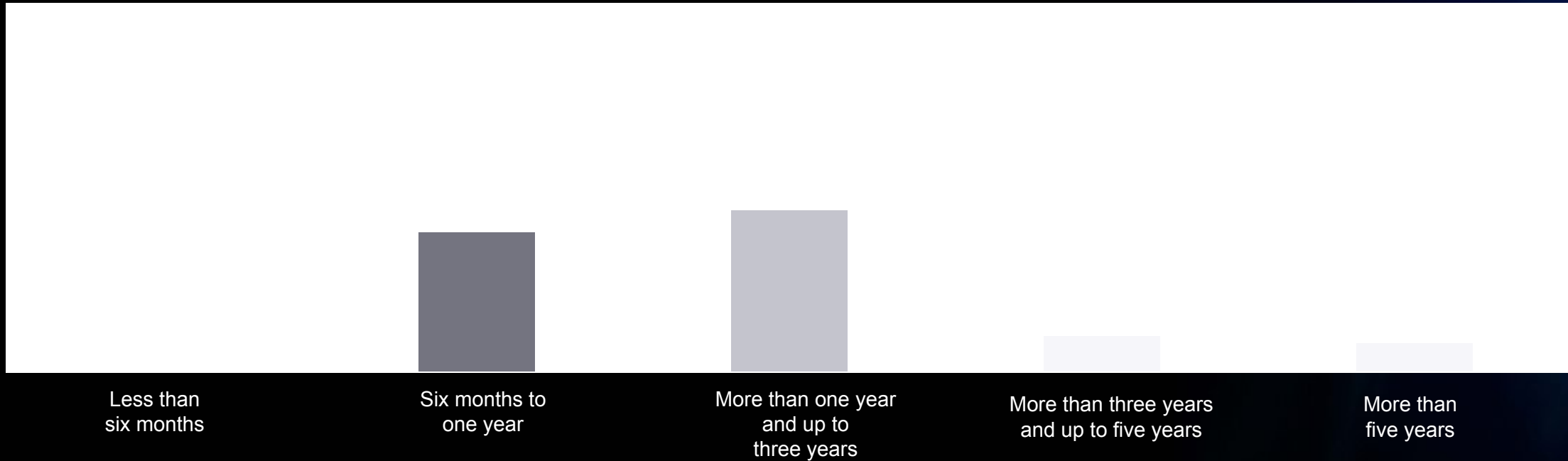
Polling question 2



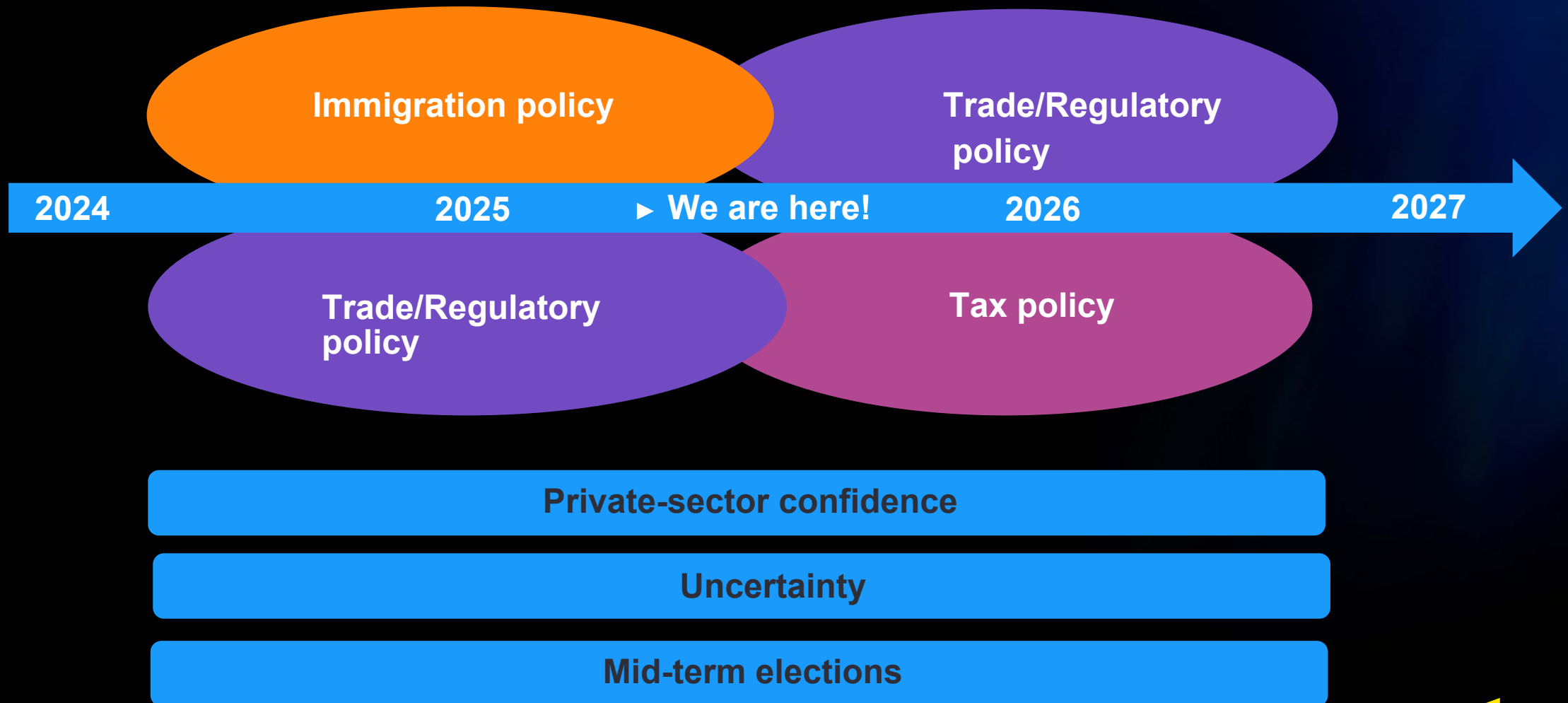
Are current US trade/tariff policies temporary or permanent?

- A Temporary
- B Permanent

Many business leaders are expecting geopolitical and economic uncertainty to persist for several years



US policy impact on the economy is both immediate and long term given the wide range of regulatory, immigration, trade and tax policy scenarios



A scenic photograph of a mountain range at sunset. The sun is a bright orange orb in the upper right, casting a warm glow over the silhouetted peaks and ridges of the mountains. The sky transitions from a deep orange near the horizon to a pale blue at the top. The overall mood is serene and majestic.

Top 10 geopolitical developments

Geopolitics will continue to shape the global operating environment

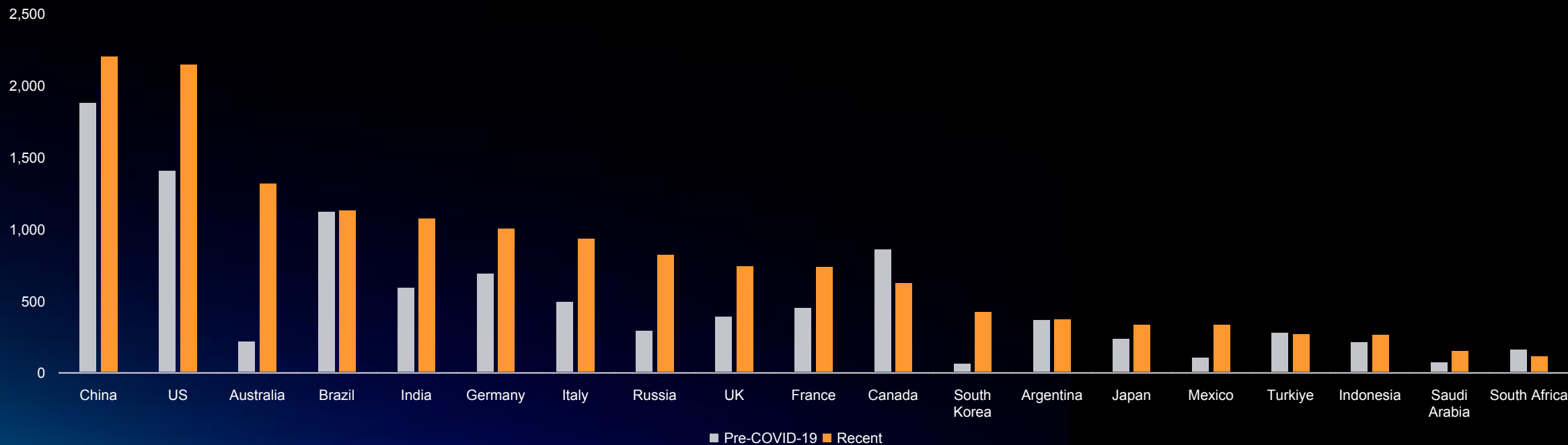


Source: EY-Parthenon Geostrategic Business Group.

State interventionism will affect public-private engagements and reshape strategies

Government interventions are rising across many large

Average government interventions in select time periods (number of interventions)



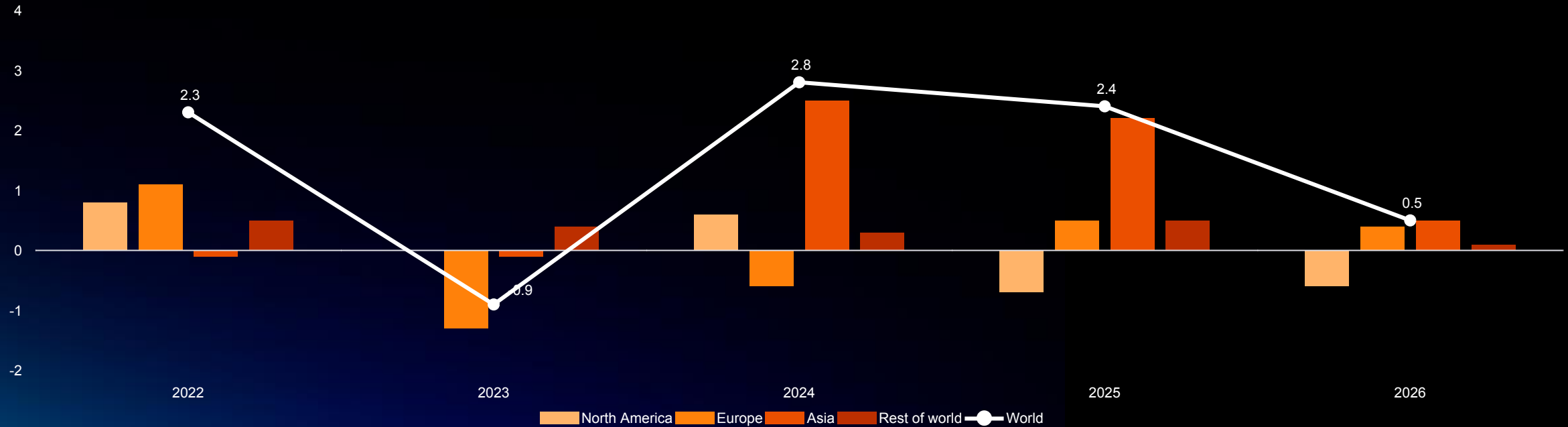
Source: Global Trade Alert; EY-Parthenon analysis.

Note: Pre-COVID-19 data reflects the average number of interventions per country during 2017, 2018 and 2019. Recent data reflects the average number of interventions per country during 2023, 2024 and year to date in 2025.

Trade under pressure will continue to pose supply chain challenges

World trade growth is forecast to slow significantly in 2026, with North America's contribution expected to be negative for the second year in a row

Contributions to world merchandise trade volume growth by region (%)



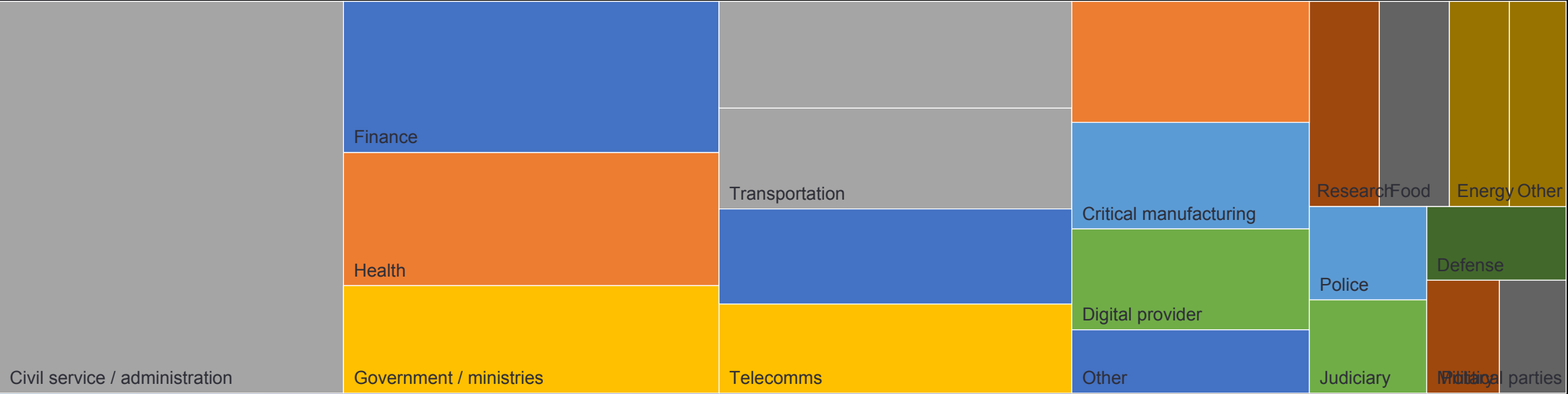
Source: World Trade Organization.

Note: Trade refers to average of exports and imports. Figures for 2025 and 2026 are projections.

Sovereign AI and cyber conflicts will affect technology functions across sectors

Critical infrastructure is targeted by almost

Cyber incidents with a political dimension by top sectors targeted and by type of initiator between 10 January 10 2024 and 30 September 2025



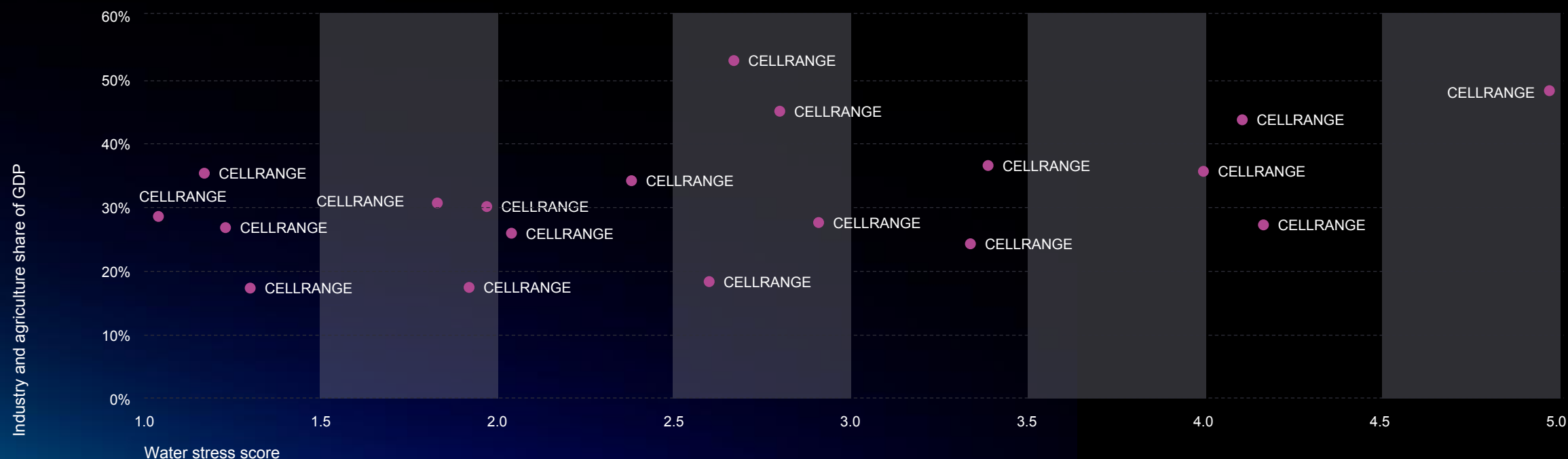
Source: European Repository of Cyber Incidents.

Note: Cyber incidents are included in the EuRepoC database if they violate the CIA triad of information security and are publicly reported. Moreover, only cyber incidents that have a political dimension are included. This means cyber incidents that a) have affected political or state actors or institutions, b) have been associated with state-actors as the actual "masterminds" or exhibit a political motivation or c) have been "publicly politicized, regardless of the affected target." Cyber incident initiator types include non-state groups, state-affiliated actors, state actors, individual hackers, 'unknown' and 'not attributed.'

Water scarcity will likely lead to policy trade-offs in resource allocation across industries

Many countries experience high levels of water stress alongside reliance on water-intensive industries

Global water stress score; industry and agriculture value added (% of GDP)



Source: World Bank, World Population Review; EY Insights analysis.

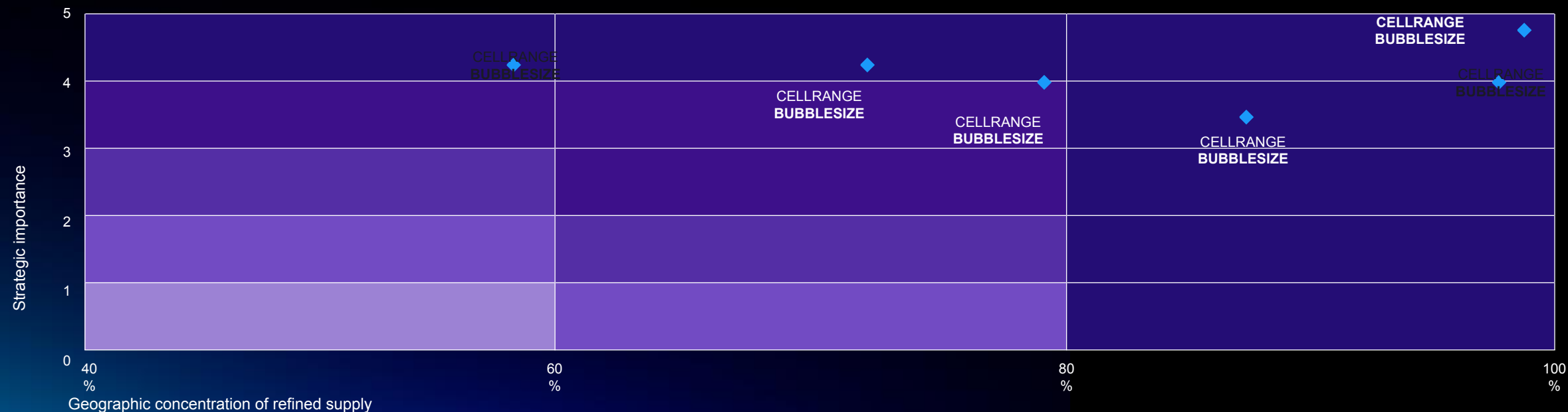
Note: "Industry" includes water-intensive activities such as mining, manufacturing (including high-tech manufacturing), construction, electricity, water and gas industries. "Agriculture" also includes forestry and fishing. Water-stress scores range from 0.00 (least stressed) to 5.00 (most stressed) and measure the ratio of total water withdrawals to available renewable water supplies. Higher water stress values indicate more competition among users.

Critical minerals rush is leading to new production and trade patterns

The high geographic concentration of refined critical mineral supply creates risks for the technology, energy and defense sectors

Bubble size indicates the estimated annual gap between demand and supply in 2040 (kilotons)

Supply risk: Low Moderate Moderate to high High Extreme



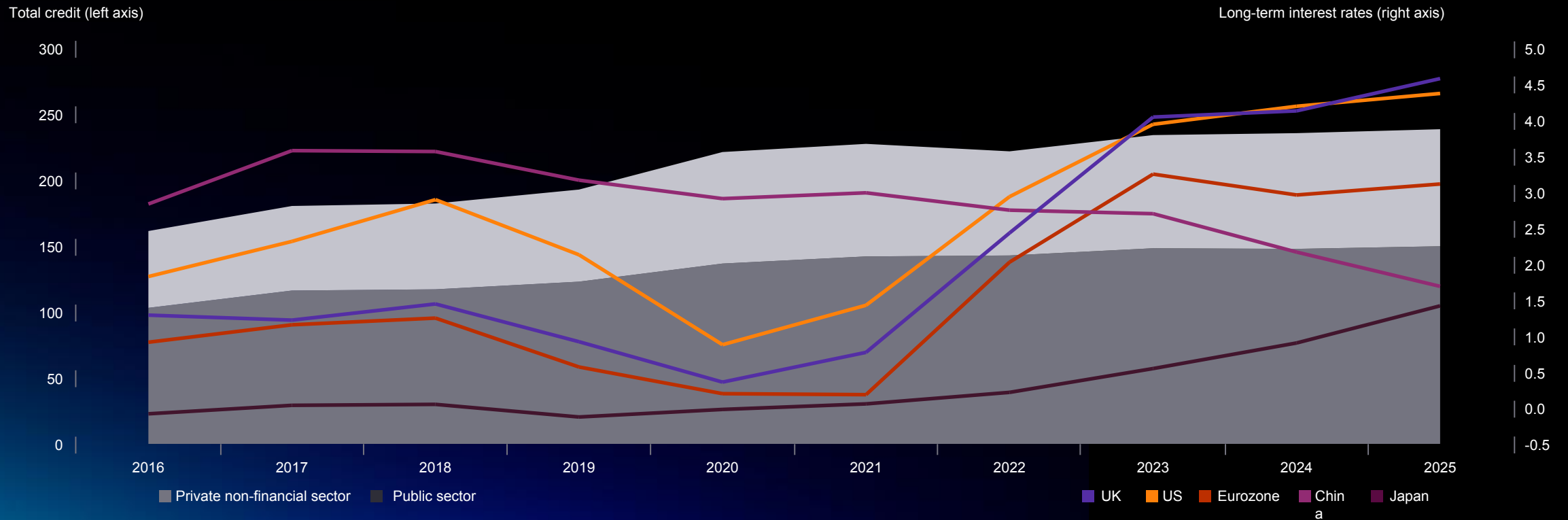
Source: US DOE; IEA (NZE Scenario); HSBC; International Aluminum Association; USGS; Australian Aluminum Council; S&P Global; BHP; EY Insights analysis.

Note: Strategic importance based on needs for energy, defense, technology and electric vehicle sectors. Rare earths include NdPr, Dysprosium, Terbium.

Debt, capital and currencies are reshaping the contours of the global financial system

Debt levels continue to rise even as higher long-term interest rates make it more costly to service

Total credit to the non-financial sector (USD trillions) vs. long-term interest rates (% per annum)



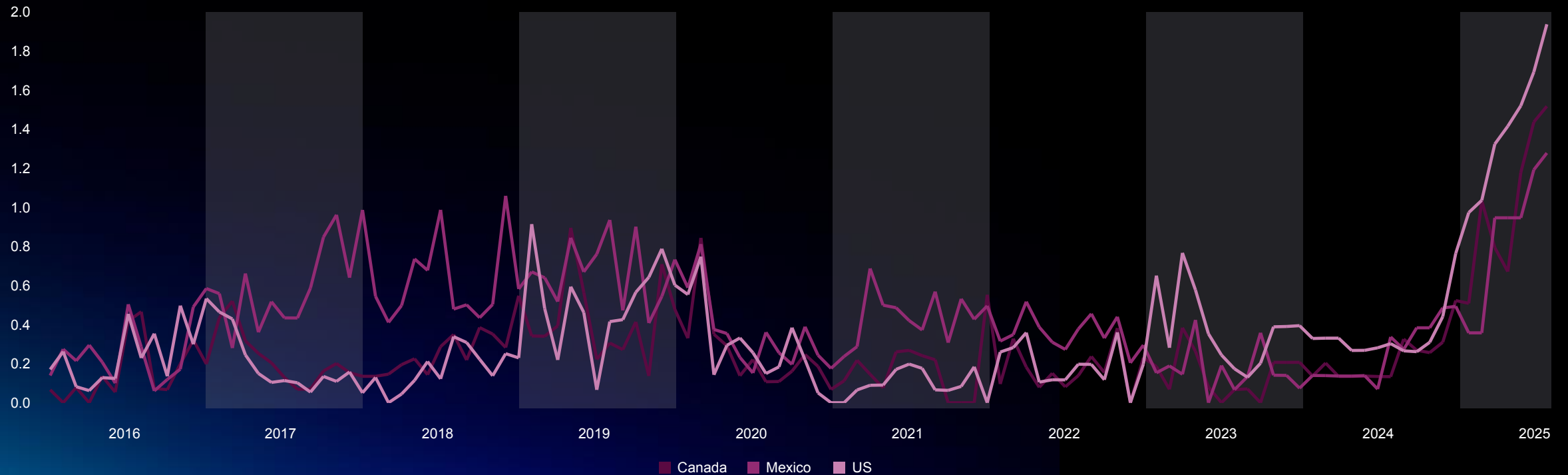
Source: Bank for International Settlements, OECD; EY Insights analysis.

Note: Total credit includes all reporting countries globally. The countries for which interest rate data is included align with the currencies included in the IMF Special Drawing Rights international reserve asset. Long-term interest rates data reflects 10-year government debt. The 2025 data on interest rates is an average of the monthly interest rates through August 2025.

Policy volatility in North America affects supply chains and investment opportunities

Policy volatility is likely to contribute to high levels of uncertainty in North America

World Uncertainty Index, select countries



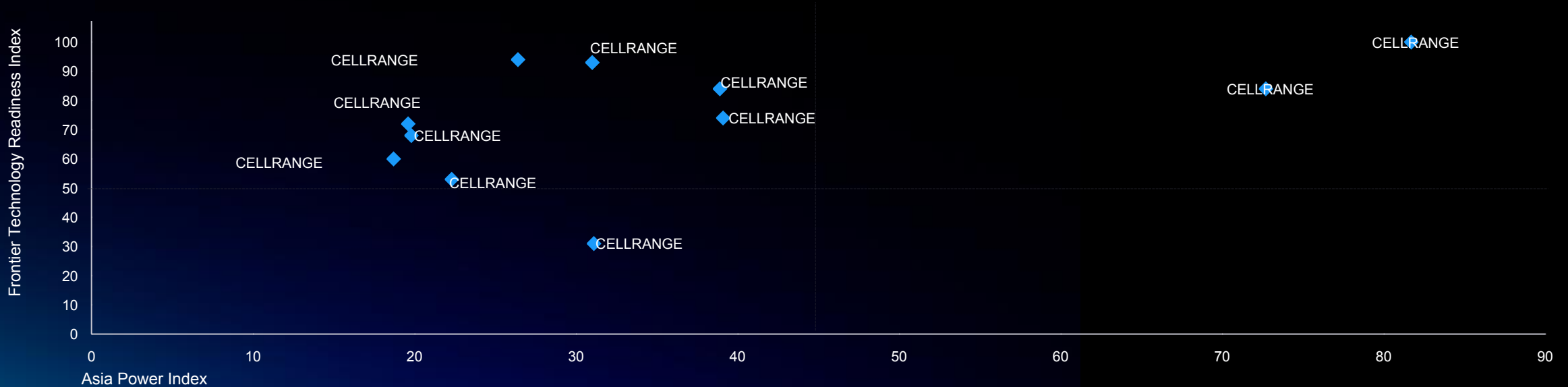
Sources: World Uncertainty Index.

Notes: All indices have been computed by counting the frequency of the word "uncertainty" (or its variant) in EIU country reports. The indices are normalized by total number of words and rescaled by multiplying by 1,000. A higher number means higher uncertainty and vice versa.

Asia-Pacific focus on economic security creates regional opportunities

The US and China remain the top geopolitical and technological powers in the Asia-Pacific

Asia Power Index vs. Frontier Technology Readiness Index (0–100); Trade volume (US\$)



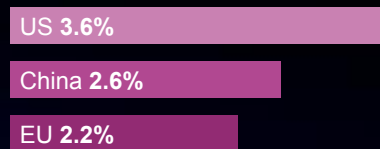
Source: Lowy Institute, UN Conference on Trade and Development, World Bank; EY Insights analysis.

Note: Bubble size indicates relative trade volume (exports plus imports). The countries shown are the top 12 countries on the current Asia Power Index, which is calculated as a weighted average across eight measures of power: economic capability, military capability, resilience, future resources, economic relationships, defense networks, diplomatic influence and cultural influence. The Frontier Technology Readiness Index includes technological capacities related to physical investment, human capital and technological effort and covers national capacities to use, adopt and adapt these technologies.

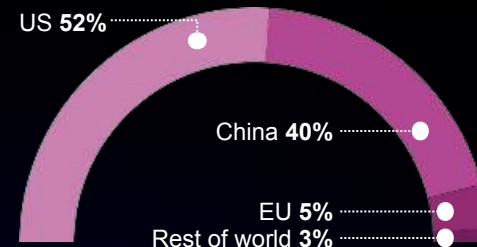
Europe is at a crossroads regarding its security and competitiveness

Europe is trying to catch up on competitiveness, especially related to innovation, capital and critical minerals

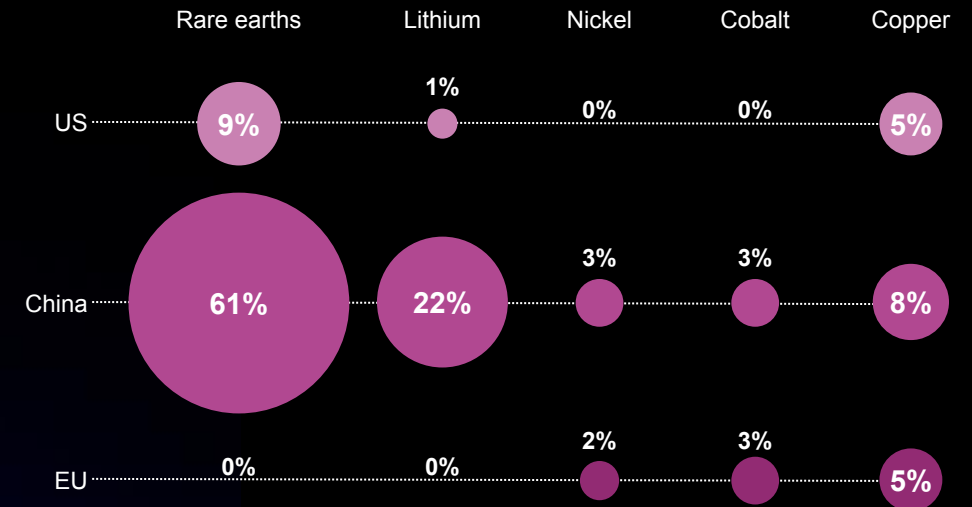
Public and private sector R&D
(% GDP)



Share of venture capital raised
(% of global total)



Share of global mined production (% of global total)

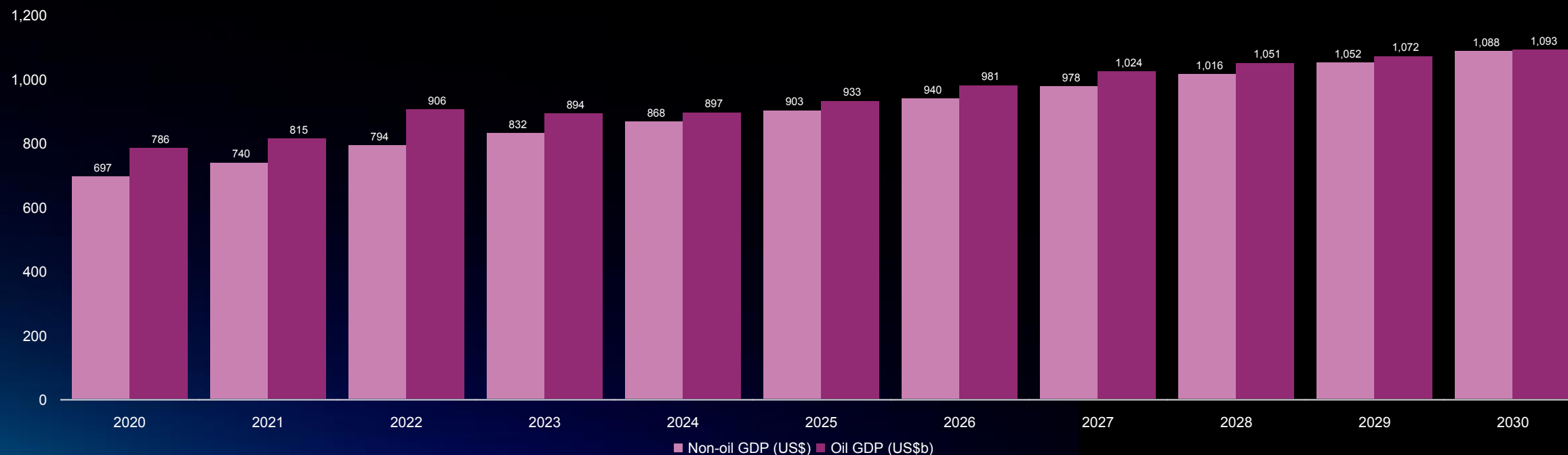


Source: Eurostat, European Commission, International Energy Agency.
Note: Data is for 2024. Europe refers to the entire region, not just the EU.

Recalibration in the Middle East accelerates economic competition

GCC members are steadily diversifying their economies away from energy revenues, with an increasing share of GDP from non-oil sectors

Real GDP (US\$ billions)



Source: Oxford Economics.

Note: Countries included are GCC members: Saudi Arabia, UAE, Qatar, Bahrain, Oman, Kuwait. Data for 2025 through 2030 are forecasts.



Business impacts

Business function impacts of the top 10 geopolitical developments in 2026

		Growth and investment	Operations and supply chain	Data and intellectual property	Human capital	Finance and tax	Reputation and compliance
	New rules and norms						
	1. State intervention	•	•			•	•
	2. Trade under pressure	•	•	•	•	•	•
	3. Sovereign AI and cyber conflicts		•	•			•
	Geopolitics of scarcity						
	4. Water scarcity	•	•	•	•		•
	5. Critical materials rush	•	•	•			
	6. Debt, capital and currencies	•	•			•	•
	Spheres of engagement						
	7. North America: policy volatility		•		•	•	•
	8. Asia Pacific: economic security	•	•	•	•		•
	9. Europe: at a crossroads		•	•	•		•
	10. Middle East: recalibration	•	•	•		•	•

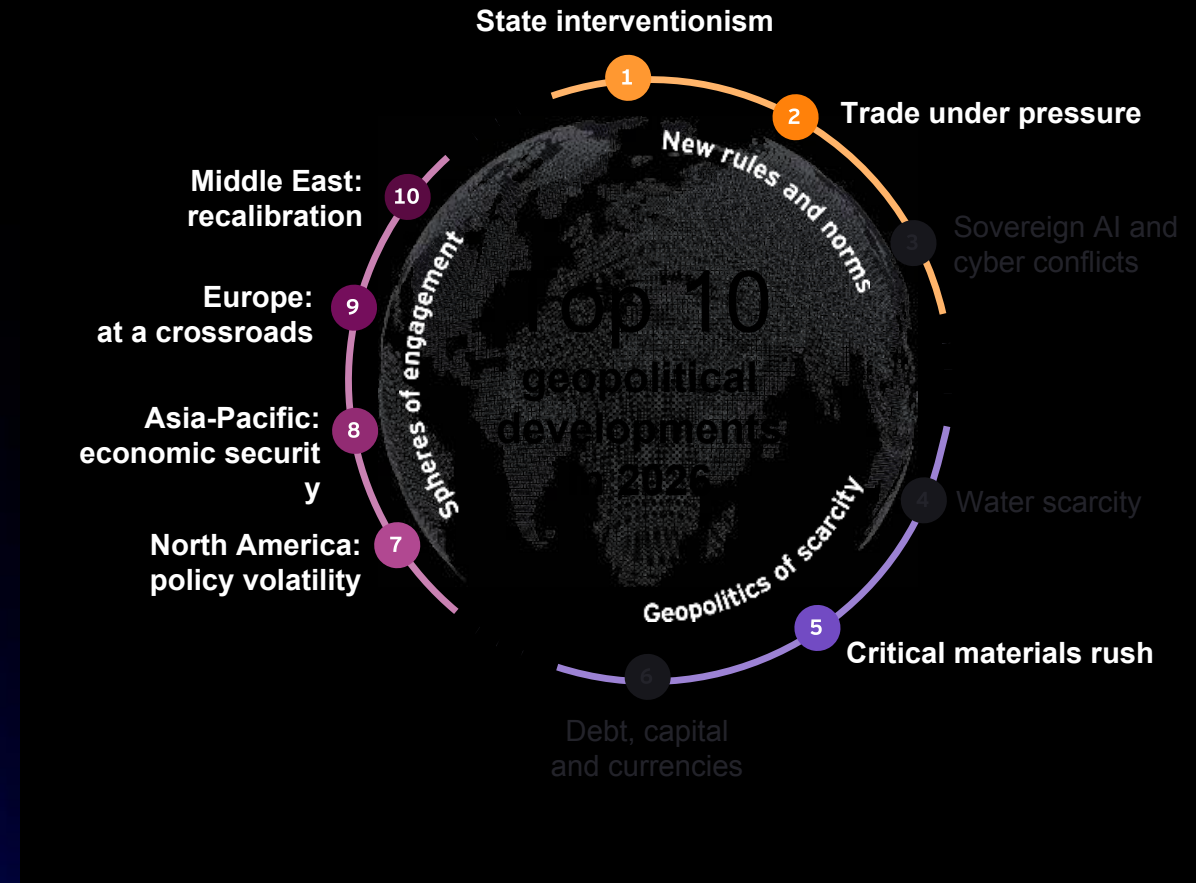
Source: EY-Parthenon Geostrategic Business Group.

There are three no-regrets moves to incorporate geopolitical risk into strategy to adapt to market disruptions



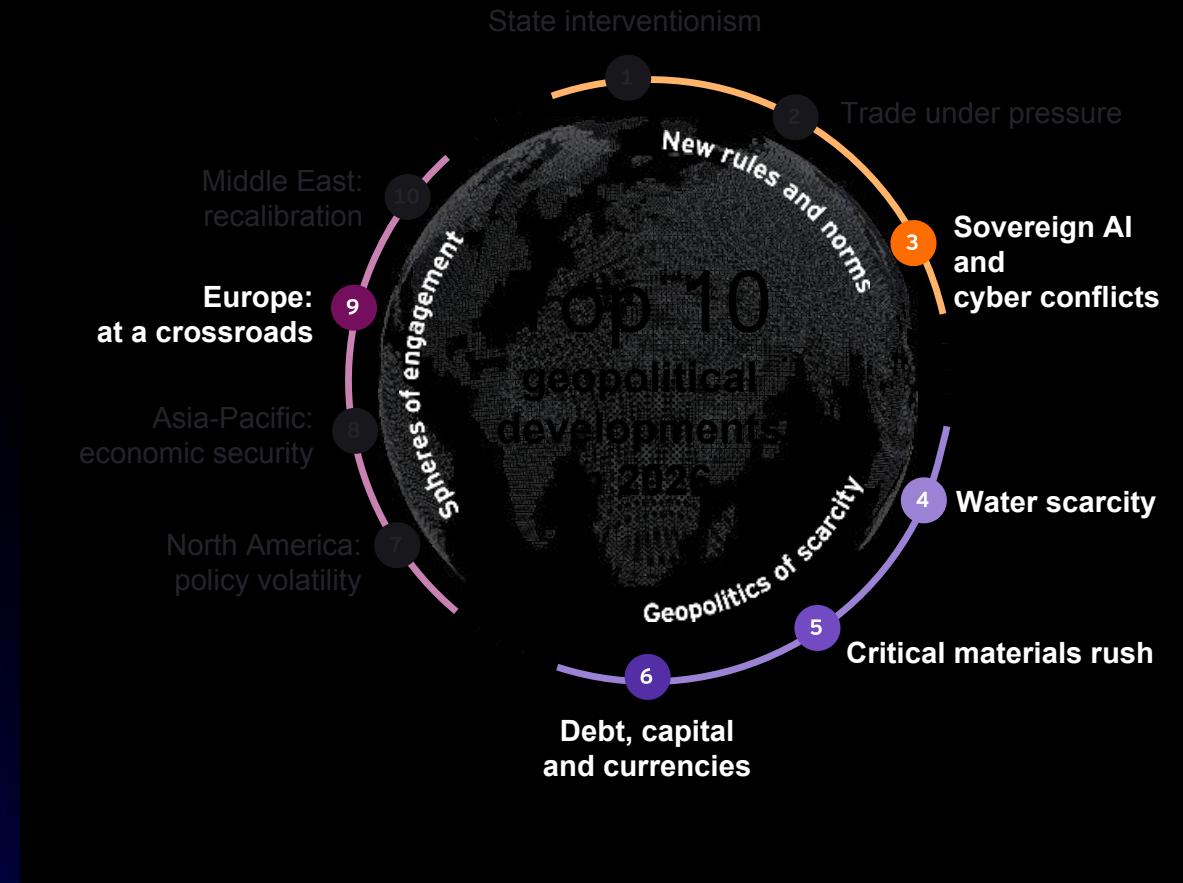
Chemicals, oil and gas companies need to adapt to a fragmented market

- ▶ National oil companies are diversifying into emerging markets to secure future demand.
- ▶ State intervention and trade pressures expose chemical producers to supply chain risks, even as specialized chemicals and materials critical to renewable technologies gain in strategic importance.
- ▶ International sanctions and Middle East conflicts may disrupt energy routes and fuel volatility in refined products and diesel supply chains.
- ▶ CBAM implementation will raise costs and compliance for European importers of emissions-intensive products.
- ▶ Energy deregulation in North America is creating tailwinds for the sector, though US tariffs and talent migration challenges could increase costs.



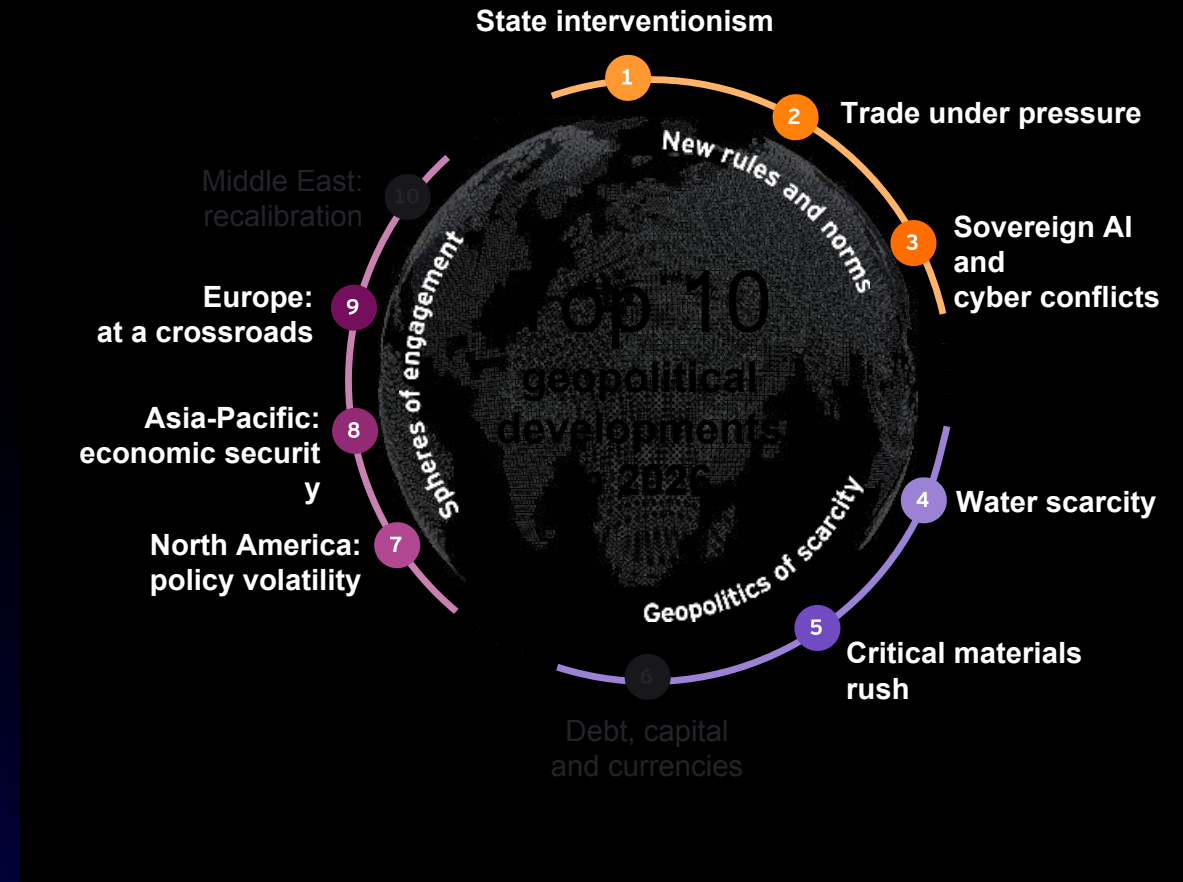
Power and utilities companies need to navigate rising demand and supply bottlenecks

- ▶ AI-driven energy demand and cyber threats put power and utilities under pressure, as critical infrastructure in geopolitical competition.
- ▶ Water scarcity could affect power companies' costs as cooling needs increase and water utilities could face changes in permitting and water tariff rates.
- ▶ Critical minerals supply bottlenecks and operational constraints are likely to affect data centers, refineries, magnets, batteries and specialty steels.
- ▶ Debt, capital and currency dynamics are likely to create continued uncertainty around long-term investments and capital expenditure.
- ▶ EU and UK energy price caps and CBAM implementation could raise costs.



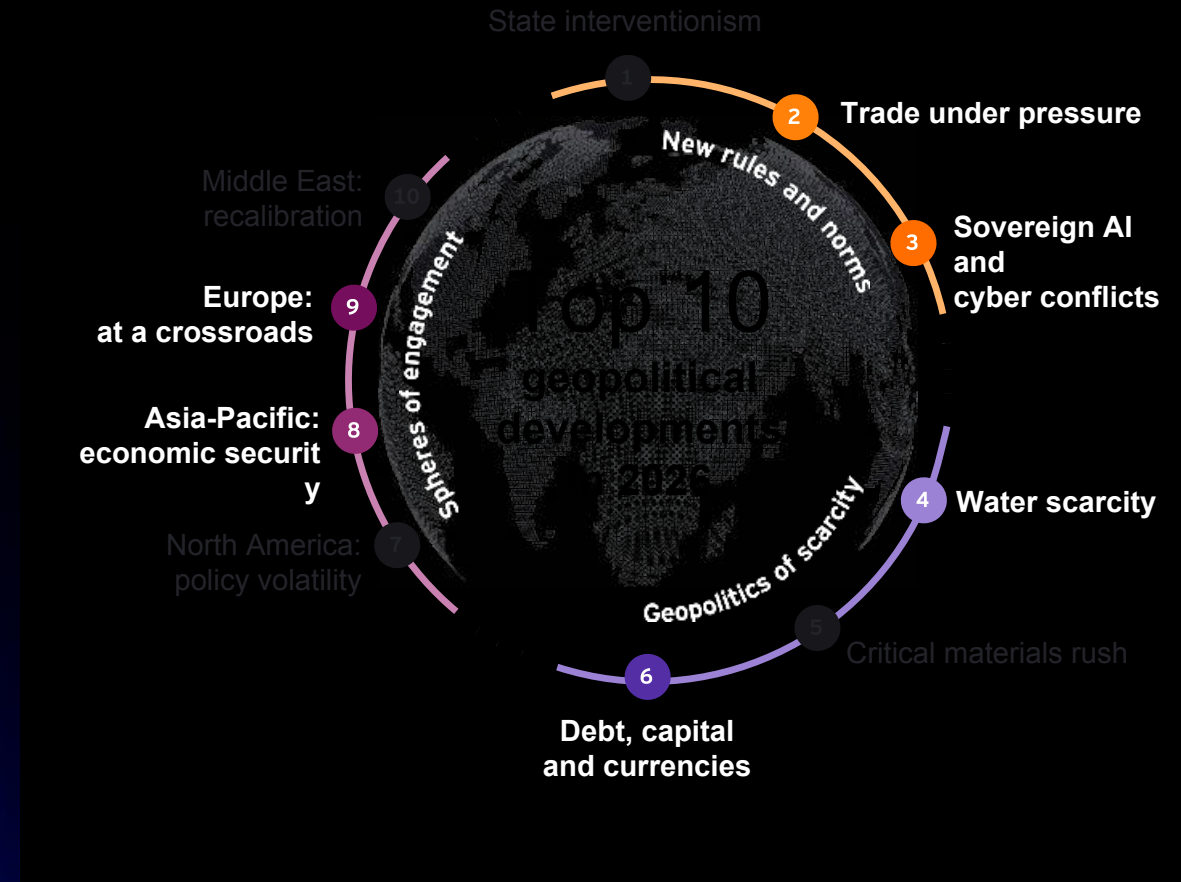
Impact on industrials companies' demand, supply chains and investments

- ▶ Geopolitical shifts are reshaping industrial demand and supply chains, as state intervention offers incentives for domestic production in key markets.
- ▶ Water scarcity is emerging as a growth driver, with demand for water treatment and management technologies accelerating.
- ▶ The critical minerals rush will continue to create opportunities for industrial products firms supplying extraction and remediation equipment.
- ▶ Sovereign AI is a factor driving data center growth and creating opportunities, while cyber risks are rising for connected industrial systems.
- ▶ Trade pressures and tariff volatility are pushing industrial firms to reshore and shift production.



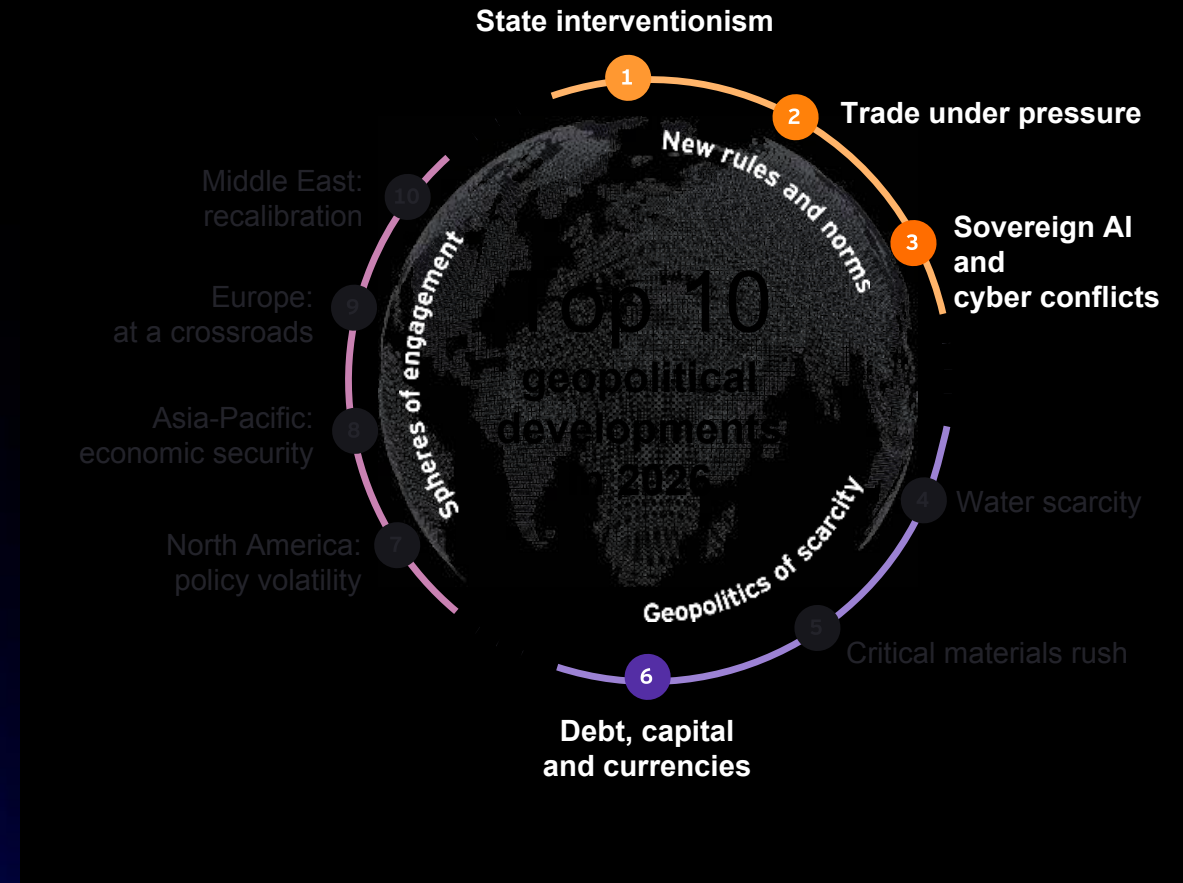
Consumer products companies face a variety of trade and regulatory dynamics

- ▶ Trade pressures are disrupting consumer products supply chains, driving delays, cost increases and margin strain despite added redundancies.
- ▶ Trading patterns in Asia-Pacific are likely to be particularly impactful as companies shift their supply chains to adapt to new policies and regulations.
- ▶ Sovereign AI creates opportunities with consumer data, but evolving privacy rules and escalating cyber threats complicate compliance for consumer brands.
- ▶ Agribusiness and food companies may experience heightened water challenges, particularly in Europe due to sourcing requirements and sustainability regulations.



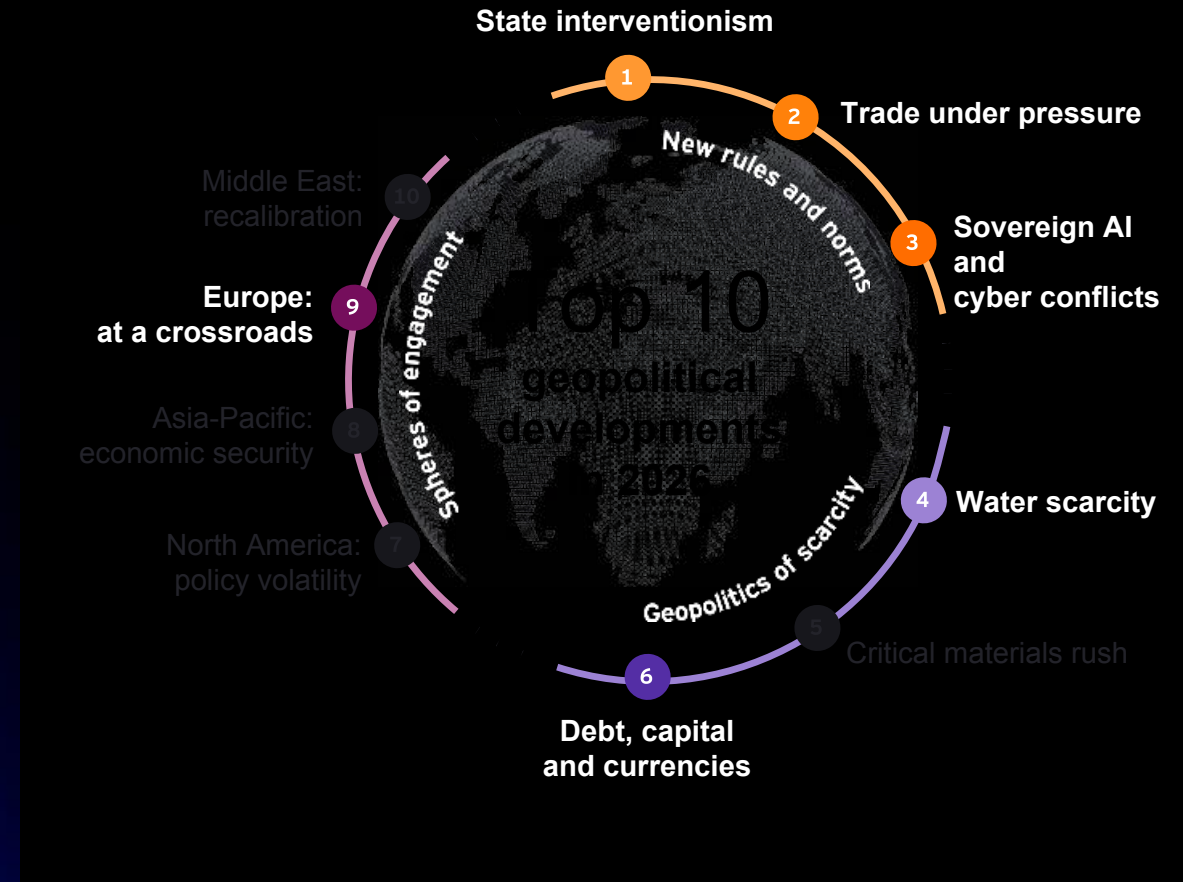
Retailers face geopolitically-driven supply chain and operational challenges

- ▶ Trade pressures are driving retailers' supply chain diversification as tariffs and restrictions increase complexity and cost.
- ▶ The impact of tariffs on prices may be more keenly felt across economies, dampening sentiment and weakening spending power for retailers.
- ▶ Government policies designed to influence IP, price controls, labor markets, technology or mergers and acquisitions (M&A) may improve the competitiveness of some retailers but could reduce profitability.
- ▶ Cyber conflicts may involve retailers, as complex networks and customer data make them prime attack targets.



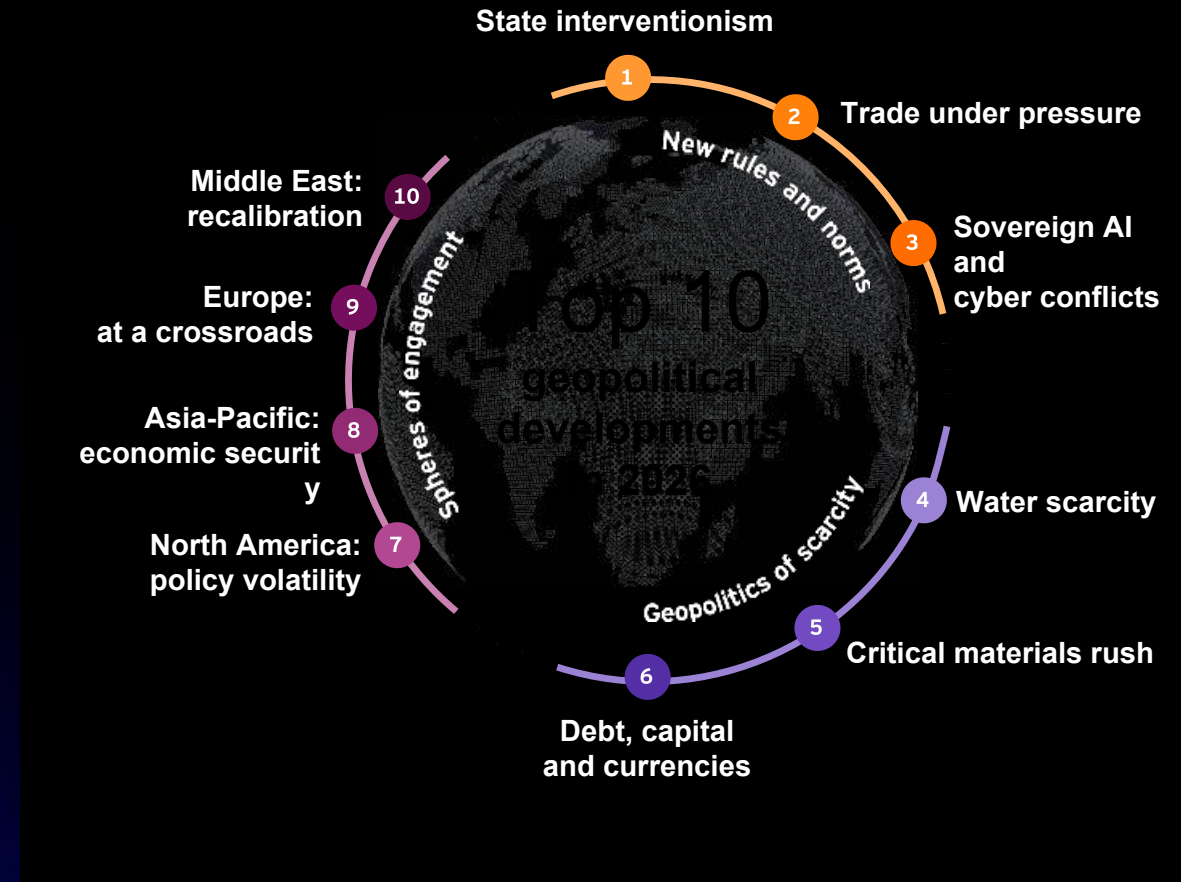
Impact on PE fundraising and capital deployment strategy

- ▶ Trade pressures may continue to make it difficult for PE firms to price deals accurately and build confidence in cross-border models.
- ▶ Interest rate and currency volatility will continue to complicate PE fundraising, though tactical opportunities exist across capital structures and global markets.
- ▶ The push for sovereign AI will likely continue to drive capital deployment in sensitive industries, including digital infrastructure, energy and water.
- ▶ More broadly, state interventionism may provide opportunities for public-private partnerships and expanded investments in strategic sectors.



Governments will either contribute to or respond to all geopolitical developments

- ▶ Governments will operate in a more fragmented and competitive landscape, with economic interdependence increasingly seen as a risk.
- ▶ State interventionism and digital sovereignty initiatives will remain priorities for supply chain resilience and domestic production and investment.
- ▶ Sovereign AI and cyber conflicts are at the heart of geopolitical competition, as both an enabler and a strategic risk.
- ▶ Governments are pursuing foreign partnerships and domestic investments, emphasizing climate-resilient infrastructure amid water scarcity and rising critical minerals competition.
- ▶ Defense and adjacent infrastructure will continue to be a focus globally.
- ▶ Debt, capital and currency dynamics, along with slower growth in key markets, mean policymakers will increasingly have to balance competing spending priorities.



M&A Markets

1

Stable to
higher Interest
Rates/Costs
Combined with
significant dry
powder

2

Need for
growth/scale
with cost
reductions in a
lower real GDP
growth context

3

Loosening of
Regulatory
Dynamics (US)
+
(relative)
Strength of
USD

4

...but Inflation/
Potential
stagflation
threatening
&
Tariffs clouding
the short-term
outlook

THE STOCKDALE PARADOX

“You must never confuse faith that you will prevail in the end — which you can never afford to lose — with the discipline to confront the most brutal facts of your current reality, whatever they might be.”

— Adm. James Stockdale





Thank you

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY-Parthenon

Our unique combination of transformative strategy, transactions and corporate finance delivers real-world value – solutions that work in practice, not just on paper.

Benefiting from EY's full spectrum of services, we've reimagined strategic consulting to work in a world of increasing complexity. With deep functional and sector expertise, paired with innovative AI-powered technology and an investor mindset, we partner with CEOs, boards, private equity and governments every step of the way – enabling you to shape your future with confidence.

EY-Parthenon is a brand under which a number of EY member firms across the globe provide strategy consulting services. For more information, please visit www.ey.com/parthenon.

© 2026 EY Parthenon
All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com