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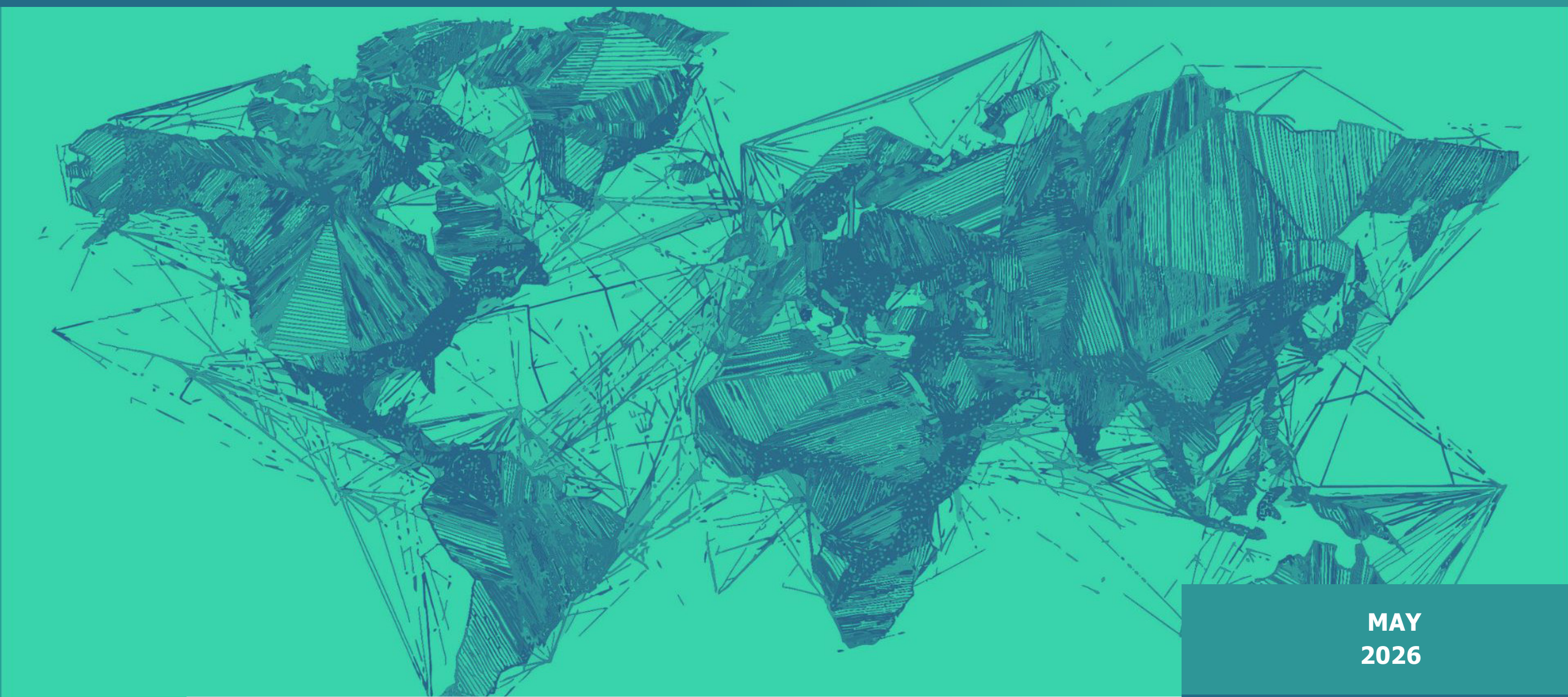

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What Do Companies Fear?
The New Geography of Geopolitical Risk

Thomas GOMART
Lucie MIELLE

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Abstract

Geopolitical risk has established itself, within the space of a few years, as a central variable in corporate strategy. Yet neither its definition nor its perception commands any consensus. This study offers a systematic mapping of the phenomenon, drawing on an original corpus: the annual reports of the world's 100 largest companies by market capitalization, analyzed using artificial intelligence tools applied to their most strategically significant sections—Risk Factors, Management Discussion & Analysis, and letters to shareholders. The aim is not to measure the geopolitical risk to which these companies are exposed, but to analyze how they formulate it, prioritize it, and integrate it into their governance.

A dual geography of risk. The first finding of this analysis is that geopolitical risk is neither an exogenous variable nor a uniform reality. Its formulation follows a dual geography: that of the registered headquarters, which anchors each company within a specific national, ideological, and regulatory framework; and that of operations, which determines the concrete nature of its vulnerabilities. To understand what a company fears is, first and foremost, to understand where it stands and how it sees the world.

This dual geography reveals four groups:

- American companies—which alone account for 73% of the total capitalization of the Top 100 in 2025—understand geopolitical risk primarily as a threat to their hegemony and to national security.
- European companies adopt a normative reading, centered on the erosion of the rule of law, the retreat of multilateralism, and the weakening of regulatory predictability. Caught between Washington and Beijing, they articulate their principal vulnerability around the transatlantic relationship—described simultaneously as irreplaceable and as an increasingly significant source of uncertainty.
- Chinese companies, for their part, explicitly align their discourse with the priorities of the Party: ideological compliance is a pillar of their risk management in its own right.
- Indian companies, finally, represent the most singular case: they read the recomposition of the world order as a structural opportunity, a posture made possible by an openly assumed policy of multi-alignment.
- Aramco, based in Saudi Arabia, stands in a category of its own.

A sectoral nature of risk. The second finding concerns the variety of forms geopolitical risk takes across sectors. In the energy sector, risk bears primarily on traffic infrastructure: pipeline sabotage, disruptions in the Red Sea, blockage of the Strait of Hormuz, expropriations, and windfall surtaxes. Geopolitics strikes directly at assets, operational costs, and price volatility. In the financial sector, risk is tied to lawfare: the extraterritoriality of American sanctions constitutes the principal threat, while international payment systems have become a theatre of confrontation between powers. In the pharmaceutical sector, risk concerns about dependence on Asian active pharmaceutical ingredients are forcing companies to reconsider their supply chains. In the technology sector, risk is fragmentation: the question is no longer whether the global digital ecosystem will split into distinct blocs, but how quickly.

A revealing temporal asymmetry. One cross-cutting finding runs through the entire corpus: geopolitical risk absorbs the present, while the climate threat maps out the horizon. Climate risk is acknowledged by virtually all the companies analyzed, yet it is predominantly deferred to medium- and long-term scenarios—2030, 2050, or even 2100. This temporal differentiation is itself a risk: it exposes organizations to severe disruption when climate effects materialize at a pace their models had not anticipated.

Artificial intelligence (AI) as a third dimension. To the dual geography that structures risk perception, a third dimension may soon be added: the position occupied by each company within the emerging hierarchy of artificial intelligence. AI is now integrated into annual reports, no longer as a tool but as a strategic infrastructure in its own right. This recomposition will not be neutral—it will follow, and amplify, the fault lines already at work between powers, between sectors, and between models of governance.

Fragmentation as a market. A final finding: any reading of these annual reports that confined itself to threats would be incomplete. Several companies have undergone a reversal of perspective worth noting—geopolitical fragmentation is no longer merely a risk to be hedged; it is opening up new markets.

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Introduction

"We are facing the most perilous and complex geopolitical and economic environment since the Second World War."[1] This assessment by J. P. Morgan commands broad consensus in the corporate world, which now shares the view that "security and the economy are intrinsically linked".[2] This historical truism was obscured by years of naïve economism, brought to an abrupt end by Trumpism, the pandemic, and successive wars. It is resurfacing in turbulent times, forcing a rethink of the image of a productive system sustained in a continuous and orderly manner. It has also opened up a market—that of 'geopolitical risk' consultancy—which produces a body of received wisdom aimed at the business community.[3] Unsurprisingly, geopolitical shocks do not affect companies' profitability uniformly.[4] Instability reinforces performance asymmetries, inevitably producing geo-economic effects that can alter the geography of many markets as rapidly as they can do so profoundly.

In its narrowest formulation, geopolitical risk refers to events likely to alter the normal course of economic exchanges: wars, sanctions, changes of regime, nationalization of assets… This is the definition mobilized by economists when they seek to measure it, notably through indices constructed from the frequency of certain terms in the international press.[5] In a broader sense, it encompasses the full range of inter-state tensions that reshape the conditions under which companies operate: technological rivalries, regulatory fragmentation, supply chain pressures, and the erosion of multilateral institutions. It is this second, far more diffuse usage that dominates annual reports. Each company tends to forge its own conception of geopolitical risk, shaped by its assets, its markets, its business model, as well as by the composition of its shareholder base. It is this heterogeneity of definitions—as much as of perceptions—that this paper seeks to document and analyze, through a dual lens: geographic and sectoral.

A methodological clarification is warranted with regard to climate risk. Although intimately linked to geopolitical dynamics—competition for resources, migration, access to capital, control of low-carbon technologies,

1. J. P. Morgan, Annual Report 2024, p. 15: « We face the most perilous and complicated geopolitical and economic environment since World War II. »

2. Ibid.

3. T. Gomart and S. Pont, "Manufacturing Risk: Geopolitical Doxa and the Corporate World", *Ifri Studies*, Ifri, April 2025.

4. I. Duca, B. A. Dumitrescu et al., "Geopolitical Risk and Firm Profitability in Complex Socio-Economic Systems: A Heterogeneous Dynamics Perspective", *Systems*, Vol. 13, No. 11, 2025, p. 945.

5. D. Caldara and M. Iacoviello, "Measuring Geopolitical Risk," *International Finance Discussion Papers*, Washington: Board of Governors of the Federal Reserve System, 2022.

all attest to this—climate risk has been deliberately treated separately in this study. The reason is straightforward: climate risk has benefited from an older and more structured process of institutionalization within corporate financial communications, driven by non-financial reporting obligations (ESG) that have progressively been established at the international level.[6] Its presence in annual reports, therefore, follows a logic of regulatory compliance and sectoral standardization that differs markedly from the still tentative and heterogeneous manner in which geopolitical risk is approached. The interplay between these two risks—and in particular the question of whether, and how, companies articulate the energy transition with geopolitical reconfiguration—constitutes an analytical undertaking in its own right, one that lies beyond the scope of this paper but which it naturally points towards as a subject for further investigation.

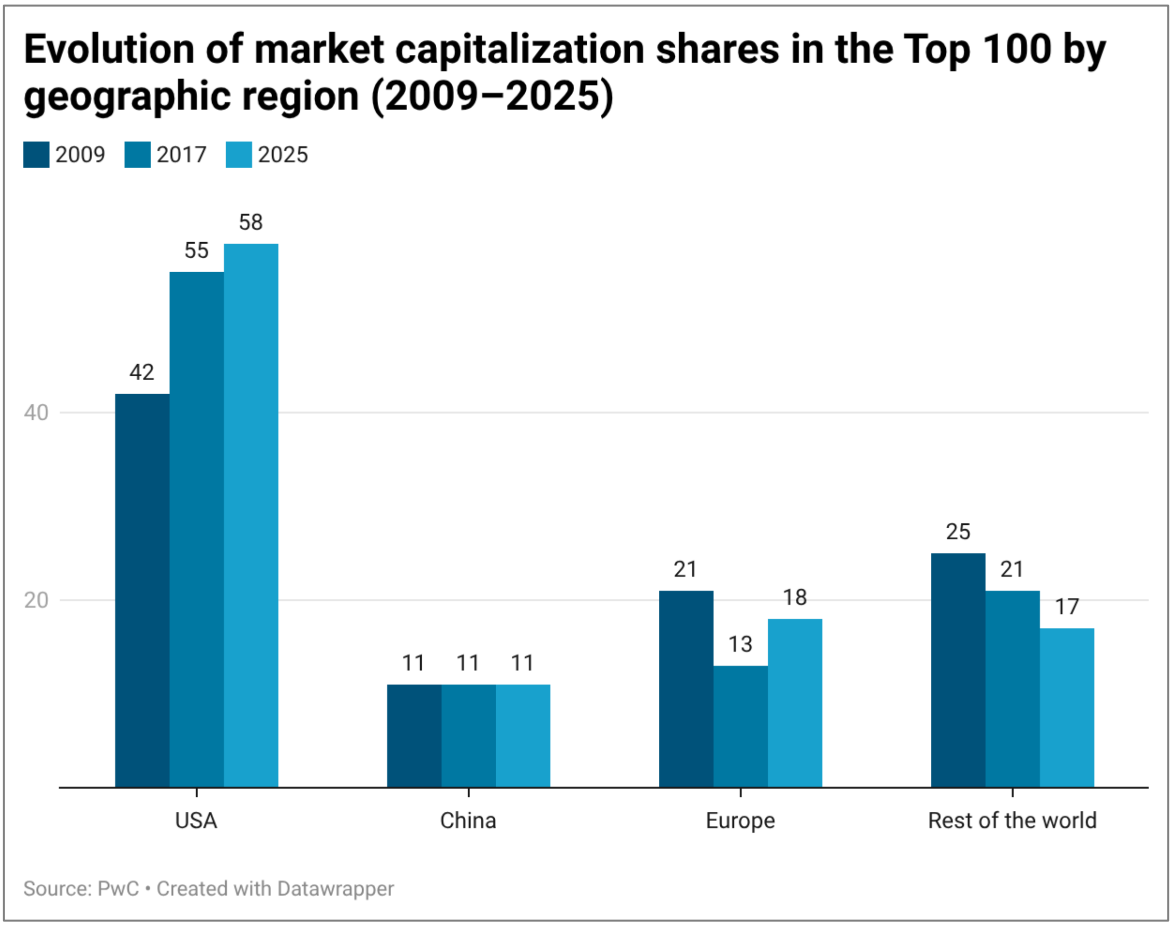
It is therefore important to understand how major multinational companies conceive of "geopolitical risk", which carries both threats and opportunities. To that end, this paper analyses how the 100 largest stock market capitalizations worldwide approach geopolitical risk in their annual reports.[7] It highlights variations in perception across Asia, Europe, and North America, while also examining those in India and Saudi Arabia. Annual reports are inevitably 'toned down', given that "it is very difficult for an international group to speak openly about its genuine geopolitical concerns",[8] as one banker explains. One must learn to read between the lines and decode what is left unsaid, which naturally provides only a partial glimpse of the true intentions of executives and their shareholders. Annual reports nonetheless constitute a valuable source, as they compel companies to make carefully controlled public statements that are, at a minimum, indicative of a geography.

The study employs AI-driven keyword analysis tools to identify and compare how geopolitical risk is formulated. Occurrences of terms related to risk, geopolitical, sanctions, climate, security, supply chain, decoupling, and sovereignty were analyzed in a cross-cutting manner and then grouped by sector and geographical origin. Particular attention was paid to sections of high strategic significance, notably Risk Factors, Management Discussion & Analysis, and letters to shareholders, which constitute privileged spaces for the expression of executives' priorities, concerns, and trade-offs.

6. G. Cravero and P. Crifo, "La finance durable, nouvel enjeu de la compétition économique mondiale", *Politique étrangère*, Vol. 86, No. 3, 2021, pp. 79-92.
7. In U.S. dollars as of March 31, 2025, *Global Top 100 Companies 2025*, PwC, May 2025, available at: www.pwc.co.uk.
8. Interview with the authors, March 2026.

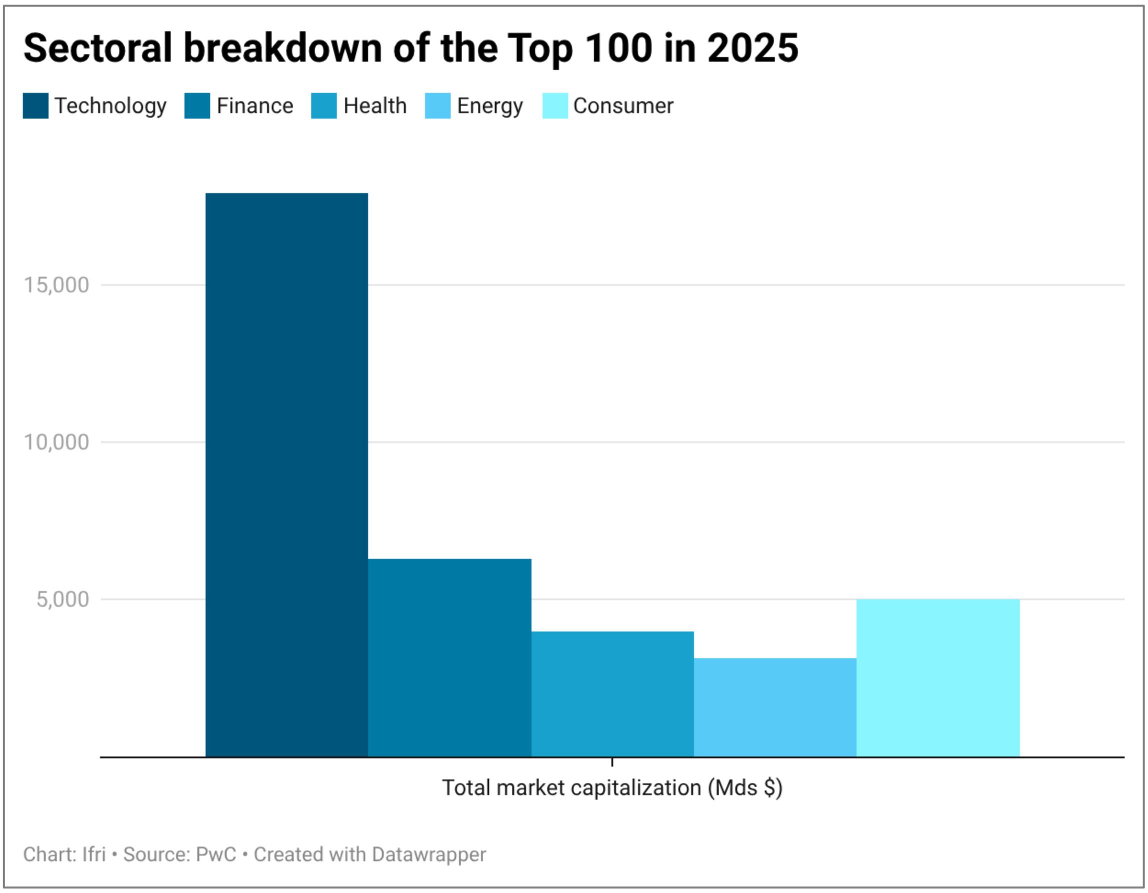
How is risk expressed?

Let us begin by highlighting a key point: the overrepresentation of American companies. This obviously has immediate effects on the overall discourse surrounding geopolitical risk. Since 2009, their share of capitalization within the Top 100 has grown from 38%[9] to 73%,[10] driven by the spectacular rise of technology giants.



In 2016, technology companies overtook financial services to become the world's leading sector. By 2025, they alone account for 33% of the total value of the Top 100. This ascent has been driven by companies such as Apple (which rose from 33rd place in 2009 to 1st place as early as 2012), Microsoft, Alphabet, and, more recently, NVIDIA.

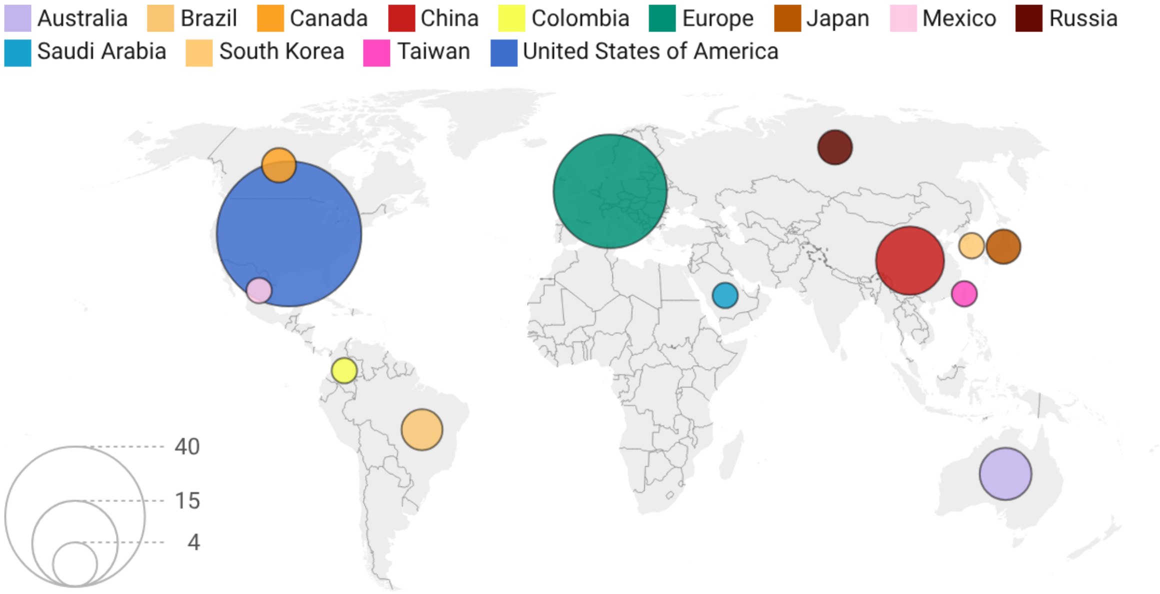
9. Global Top 100 Companies 2017, PwC: global-top-100-companies-market-capitalisation.pdf.
10. Global Top 100 Companies 2025, PwC: Global Top 100 companies - by market capitalisation.



Meanwhile, China has established itself as the principal challenger, now occupying second place globally in terms of volume. Conversely, Europe has experienced a marked decline, its share of total value having been halved over the same period. Across the spectrum, it appears that companies' outlook is ultimately shaped by the approach taken by governments, meaning that the political landscape serves as a framework for the formulation of their strategies.

Fifty-eight of the world's one hundred largest companies are based in the United States, which explains the insistence of American corporate discourse on preserving its economic and technological hegemony. These companies acknowledge that the architecture built in the aftermath of the Second World War has given way to a dynamic of fragmentation, dominated by the imperatives of national security, decoupling, and the growing politicization of flows. They have risen to dominance at the very moment the White House is dismantling—or, by its own account, rebuilding—that architecture.

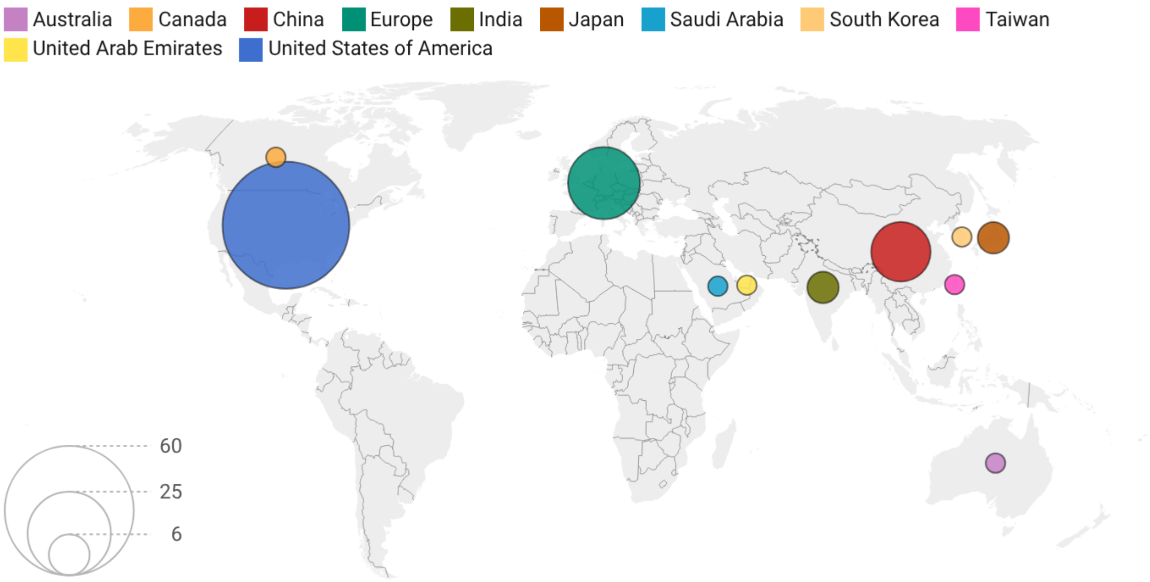
Breakdown of the top 100 companies by market capitalization (2013)



** as of March 31, 2025*

Map: Ifri • Source: PwC • Created with Datawrapper

Breakdown of the top 100 companies by market capitalization (2025)



** as of March 31, 2025*

Map: Ifri • Source: PwC • Created with Datawrapper

American companies: A priority on security

Since the late 2010s, corporate communications from American companies have undergone a profound shift, marked by the growing importance accorded to geopolitical risk. This reflects the integration of a far more adversarial reading of economic exchange, in which power relations are expected to shape corporate strategy.

The U.S. Chamber of Commerce Foundation report, Geopolitical Shift: Corporate America's Growing Focus on Global Risk, based on an analysis of 10-K filings[11] and earnings call transcripts from Fortune 250 companies, identifies a marked increase in references to geopolitical risk, particularly since 2019. Geopolitics is no longer viewed as an exogenous variable affecting business only marginally, but as the central factor—one capable of undermining market access and value chain stability. This evolution reflects a structural shift: "geopolitics is no longer an external variable—it is a core business risk."[12]

This growing awareness is accompanied, in the communications of major American companies, by a resolutely direct—even alarmist—tone that posits the end of international stability. J. P. Morgan explicitly invokes the desire of "strategic adversaries to dismantle American hegemony".[13] In other words, the challenge is no longer merely to anticipate discrete geopolitical shocks, but to prepare to operate in a durably adversarial environment.

This reading is particularly prominent in the financial and payments infrastructure sectors, where American companies occupy a central position. Visa fully incorporates the sanctions of the Office of Foreign Assets Control (OFAC) into its risk analysis and notes that certain states—notably those within the BRICS grouping—are seeking to reduce their dependence on the American system. Recalling that sanctions imposed on Russia led to the suspension of its activities in that country, the company explains that several states are now developing alternative payment systems. In doing so, Visa implicitly acknowledges that its business model is closely tied to the financial centrality of the United States, and that "the emergence of BRICS-backed alternative solutions should be seen less as a simple commercial risk than as a symptom of a broader challenge to the Western-dominated international financial order".[14]

11. Mandatory filing for U.S.-listed companies, required by the Securities and Exchange Commission (SEC).
12. U.S. Chamber of Commerce Foundation, *Geopolitical Shift: Corporate America's Growing Focus on Global Risk*, p. 2: "Our latest analysis at the U.S. Chamber of Commerce Foundation confirms this reality. By leveraging AI-driven research on 10-K filings and earnings call transcripts from Fortune 250 companies, we've identified a sharp rise in corporate mentions of geopolitical risks, particularly since 2019. This signals a fundamental shift: geopolitics is no longer an external variable—it is a core business risk."
13. J. P. Morgan, Annual Report 2024, p. 15: "Our international adversaries and major competitors have made it clear that their goal is to dismantle American hegemony, which means dismantling the rules-based system led by America in concert with our allies (essentially the Bretton Woods system and the North Atlantic Treaty Organization, as well as the International Monetary Fund and the United Nations)."
14. Visa Inc., Annual Report 2024, p. 22.

The Sino-American strategic rivalry is increasingly shaping the outlook of American companies, particularly in the technology sector. This is particularly visible in the annual reports of American technology and industrial companies, where economic and regulatory decoupling is openly invoked. In one register—that of constraints imposed by American policy—NVIDIA warns that export controls effectively "exclude it from all or part of the Chinese market, in a context where that market remains highly competitive".[15] This exposure is even more pronounced for companies whose business models depend heavily on the Chinese market. Qualcomm acknowledges that the concentration of its activities in China makes it more sensitive to the effects of tensions between Washington and Beijing; in 2024, 66% of its revenues came from China.[16]

Conversely, certain American companies openly adopt an explicitly confrontational stance. Palantir asserts that any collaboration with the Chinese Communist Party is "incompatible with its culture and mission",[17] whilst acknowledging that this strategic choice limits its growth prospects. By recognizing that this strategic choice limits its growth prospects, the company transforms geopolitical positioning into a marketing positioning. This case illustrates a form of assumed alignment between private interests, political values, and national security priorities.[18]

What about climate risk?

Although recognized as such, the climate risk is now being minimized. For many American executives, geopolitics appears to be the most immediate threat, whilst climate change is viewed more as a long-term challenge, likely to amplify crises that already exist. J. P. Morgan's Chief Executive Officer, Jamie Dimon, asserts that global challenges such as climate change, important as they are, must be "subordinated to national security" in a spirit of "Realpolitik".[19]

15. Nvidia Corporation, Annual Report 2024, p. 20.

16. Qualcomm Inc., Annual Report 2024, p. 37: "A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions."

17. Palantir Technologies Inc., Annual Report 2024, p. 25: "We do not work with the Chinese communist party and have chosen not to host our platforms in China, which may limit our growth prospects. Our leadership believes that working with the Chinese communist party is inconsistent with our culture and mission. We do not consider any sales opportunities with the Chinese communist party, do not host our platforms in China, and impose limitations on access to our platforms in China in order to protect our intellectual property, to promote respect for and defend privacy and civil liberties protections, and to promote data security. Our decision to avoid this large potential market may limit our growth prospects and could adversely impact our business, results of operations, and financial condition, and we may not compete successfully against our current or potential competitors who choose to work in China."

18. "Le manifeste de Palantir pour la domination", *Le Grand Continent*, April 20, 2026.

19. J. P. Morgan, Annual Report 2024, p. 27: "Realpolitik means that many decisions are properly subordinated to national security. For example, while addressing global challenges, like climate change, is important, such efforts should not overshadow the strategic imperatives of our foreign relations."

However, this does not mean that climate concerns are entirely set aside. NVIDIA, for instance, indicates that climate change is likely to have an impact on its operations over the long term.[20] This ordering of priorities marks a major break from the direction taken by many companies following the signing of the Paris Agreement in 2015. Activity reports, therefore, tend to prioritize the immediacy of geopolitical shocks.

The management of climate risk is increasingly embedded within structured governance and performance frameworks. Many American companies have put in place dedicated governance mechanisms for managing climate risks. By way of example, within ExxonMobil, the oversight of climate and environmental issues is entrusted to a committee that is also responsible for safety and public policy matters. Made up of five members, this committee assists the board of directors in monitoring environmental and safety strategies and performance. At Apple, NVIDIA, and Netflix, it is the nominations and governance committee that oversees environmental strategies and policies. Some companies go further by incorporating these issues into individual performance assessment frameworks. At Philip Morris, a major player in the tobacco industry, the remuneration of senior executives is directly linked to sustainability performance.[21] This logic differs markedly for companies whose business models are directly tied to the energy transition. General Electric highlights that "the strategic priorities and financial performance of many of our businesses are subject to market dynamics and other factors related to efforts to reduce greenhouse gas emissions, which may constitute both risks and opportunities".[22] By comparison, based on the reports studied, the geopolitical risk management framework remains at an embryonic stage.

It is true that major American financial institutions—J. P. Morgan, Wells Fargo, Goldman Sachs, and Berkshire Hathaway, amongst others—conceptualize climate disruption as a "risk driver",[23] that is to say, a cross-cutting factor capable of amplifying all categories of traditional banking risk. This risk is conventionally divided into two complementary dimensions: on the one hand, physical risk, which covers direct losses attributable to extreme weather events; and on the other, transition risk, linked to the economic

20. NVIDIA, Annual Report 2024, p. 18.

21. Philip Morris, Annual Report 2024, p. 105: "PMI may grant PSU awards to certain executives; (…) which consists of two drivers: (…) Operational Sustainability (10% weight) measuring progress on PMI's efforts to benefit PMI and its stakeholders by tackling climate change, preserving nature, improving the quality of life of people in its supply chain, and fostering an empowered."

22. General Electric, Annual Report 2023, p. 39.

23. J. P. Morgan Chase &Co, Annual Report 2024, p. 152: "Climate change is viewed as a driver of risk that may impact existing types of risks managed by the Firm. Climate risk is categorized into physical risk and transition risk."

upheavals caused by the shift to a low-carbon economy, whether through regulatory changes.[24]

On the governance side, banks have put in place dedicated structures: J. P. Morgan has created a specific climate risk management function, whilst Goldman Sachs has announced a target to deploy $750 billion in sustainable finance by 2030.[25] Building on these declaratory commitments, the publication by the US Federal Reserve of its pilot climate scenario analysis exercise adds a quantitative dimension, making it possible to measure the exposure of banking portfolios to climate risk.[26] Several reports highlight both the growing methodological sophistication and the still very real limitations of the tools designed to build low-carbon economy scenarios by 2050. Added to this is a reputational concern, as institutions fear being exposed to criticism from civil society, both for the inadequacy of their actions and for the perceived ineffectiveness of their commitments.

The focus on geopolitical risk highlights the tension within organizations between short-term and long-term management. Unsurprisingly, the proliferation of episodes interpreted through a geopolitical lens reinforces the former without dissolving the latter. This observation opens up two methodological avenues. The first is microeconomic in nature: analyzing the importance—and the resources allocated—that an organization currently assigns to geopolitical risk provides implicit indicators of its strategy. The second is macroeconomic in nature and concerns American companies viewed as a whole, as an ensemble concentrating American interests at the global scale: it involves anticipating the consequences of their growing weight in global stock market capitalization at a time when the international rules-based system that has favored them is eroding.

Donald Trump's return to the White House on January 20, 2025, constitutes an internal shock to the system, one that certain annual reports —published in early 2026—document with unusual precision. Several major American companies name the new administration's decisions directly and assess their operational implications. Wells Fargo acknowledges that "the Trump administration has taken a very different approach to business and regulation than we had seen from the prior administration", whilst noting

24. Wells Fargo & Company, Annual Report 2024, p. 73: "Climate change-related impacts could also negatively affect the financial condition of our customers, increase the credit risk associated with those customers, or result in the deterioration of the value of the collateral we hold. In addition, changes in consumer behavior or other market conditions on account of climate considerations or due to a transition to a low-carbon economy may adversely affect customers in certain industries, sectors or geographies, which may increase our credit risk and reduce the demand by these customers for our products and services. Furthermore, a transition to a low-carbon economy could result in additional costs or other adverse consequences to our business operations."

25. Goldman Sachs, Annual Report 2024, p. 8: "We have announced a target to deploy $750 billion in sustainable financing, investing and advisory activity by the beginning of 2030. As of December 2024, we have achieved over 80% of that goal, with the majority dedicated to Climate Transition."

26. Bank of America Corporation; Citigroup Inc; The Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; Morgan Stanley; and Wells Fargo & Company took part in the stress test conducted in 2023.

that "the [Trump] administration has been very interested in hearing the perspective of businesses and particularly interested in understanding how they can be helpful in creating greater and more widespread growth".[27] In this new context, the group considers that this environment "supports our growth strategies and reinforces our ability to serve customers effectively".[28]

On the trade front, Amgen documents the executive order of April 2025 imposing a universal 10% tariff on all imported goods, accompanied by additional levies targeting some sixty countries, and regrets a policy that undermines the globalized supply chains on which the pharmaceutical sector depends.[29] On the climate front, Berkshire Hathaway records, without comment, the "second withdrawal of the United States from the Paris Agreement, finalized in January 2026". Finally, the case of J. P. Morgan Chase illustrates an even more unprecedented dimension: the bank discloses that it is facing a civil lawsuit filed in January 2026 by Donald Trump in his personal capacity before a Florida state court against the institution and its Chief Executive Officer. That the world's largest bank is compelled to mention litigation personally involving the President of the United States in its annual report is, in itself, enough to illustrate the regime change now underway.[30]

European companies: A priority on the rule of law

The 18 listed European companies have, for the most part, integrated geopolitical risk as a structural component of their business model. They offer a reading of it that is largely normative, centred on the preservation of strategic autonomy, the rule of law, and respect for international rules. Their positioning reflects that of actors frequently caught between their American

27. Wells Fargo, Annual Report 2025, p. 8: "Change in Presidential administrations always brings something different, and this was certainly true in 2025. The Trump administration has taken a very different approach to business and regulation than we had seen from the prior administration. The administration has been very interested in hearing the perspective of businesses and is particularly interested in understanding how they can be helpful in creating greater and more widespread growth. (…) For Wells Fargo, this landscape supports our growth strategies and reinforces our ability to serve customers effectively."
28. Ibid.
29. Amgen, Annual Report 2025, p. 54: (Recent and ongoing changes in U.S. trade and tariff policies, including the imposition, modification, suspension and threatened expansion of tariffs on imported goods, as well as retaliatory measures by foreign governments, have increased uncertainty in the overall business and operating environment. Although certain pharmaceutical products are exempt from some tariffs, these measures have increased, and may continue to increase, our costs, including for materials, components and supplies used in research and development and manufacturing activities, have adversely affected, and may continue to adversely affect, our operations in various markets, and could disrupt global supply chains.)
30. J. P. Morgan, Annual Report 2025, p. 302: In August 2025, the President of the United States issued an Executive Order entitled "Guaranteeing Fair Banking for All Americans" that addressed access to financial services and directed several actions by certain federal agencies, including a review and revision of their internal policies and manuals. J. P. MorganChase is responding to requests from government authorities and other external parties regarding, among other things, the Firm's policies and processes and the provision of services to customers and potential customers. Certain of these matters are at various stages, including reviews, investigations, and legal proceedings, including a civil lawsuit filed in January 2026 in a Florida state court by President Donald J. Trump, in his personal capacity, and several affiliated corporate entities, against J. P. Morgan Chase Bank, N.A. and its CEO."

and Chinese competitors on the one hand, and between national and European levels of governance on the other.

This perception is clearly reflected in the vocabulary employed by European executives, who emphasize the uncertainty and loss of bearings within the international system. LVMH operates in an environment of "low visibility" within a "multipolar world, with its divergent market trends",[31] whilst AstraZeneca sums up this perception by speaking of a "world in flux",[32] marked by crises and conflicts that are profoundly reshaping the global environment. Hermès, for its part, highlights a 'geopolitical complexity' that reveals "the fragility of what we had previously taken for granted".[33]

Several fault lines flow from this instability. The first concerns the weakening of the international legal and regulatory environment. Several groups, including Roche, explicitly frame geopolitical risk in terms of a retreat of multilateralism, the rule of law, and regulatory predictability.[34] Populism and protectionism are thus identified as direct threats to international economic relations and the stability of legal frameworks. Geopolitical risk here is less associated with direct confrontation between major powers than with a progressive erosion of the rules and institutions that guarantee the legal certainty of trade.

The second fault line concerns technological sovereignty and dependence on strategic inputs, particularly from China. A study by the Centre for Economic Policy Research published in May 2024 reveals that German industrial companies are particularly exposed, with more than one-third of manufacturing firms depending on these critical inputs, whilst the exposure of Spanish and Italian companies reaches 20% and 17% respectively.[35] This vulnerability also varies according to company size, with the largest companies being almost twice as exposed as the smallest, highlighting the strategic importance of diversifying supply sources and strengthening value chain resilience. ASML likewise insists on its role as a "European champion",[36] one that requires close coordination with public authorities in order to defend its strategic interests. In the

31. LVMH, Annual Report 2024, p. 12.

32. AstraZeneca, Annual Report 2024, p. 2.

33. Hermès International, Rapport annuel 2024, p. 4: "2024 was also a pivotal year. Today, the news is full of geopolitical complexity and one major climate crisis after another, highlighting the fragility of what we have previously taken for granted."

34. Roche Holding AG, Annual Report 2024, p. 7: "As the geopolitical and economic tension continues around the world, populism, protectionism and the weakening of the rule of law threaten international economic relations. As a Swiss company in particular, we depend on these relationships, as well as on a business-friendly regulatory environment. This includes the protection of intellectual property, a moderate tax policy and a liberal labor market – fundamental prerequisites to sustainably enable innovation for the benefit of all."

35. *European Firms Facing Geopolitical Risk: Evidence from Recent Eurosystem Surveys*, CEPR, p. 3, available at: https://cepr.org.

36. ASML, Annual Report 2024: "As a global company that is also a Dutch and European champion, we need to work alongside our government to help us move forward, to ensure our interests are represented and to shape an outcome that is good for Europe, for the Netherlands and for ASML."

telecommunications sector, geopolitical risk is associated with the proliferation of "hybrid warfare",[37] imposing a reinforcement of security arrangements and the replacement of certain equipment from suppliers deemed sensitive on security grounds.

The relationship with the United States constitutes the third and most structurally significant fault line. It is described simultaneously as indispensable and as a source of major uncertainties. The concerns expressed by European companies even before Donald Trump's return to the White House were quickly proved justified. SAP had already flagged in its annual report published in February 2025 the risks linked to the evolution of American policy; HSBC had identified post-2024 election commercial reorientations as a key factor for 2025; and Novo Nordisk had been anticipating the adoption of tariff measures affecting its imports[38]—all signals that foreshadowed the signing of the Turnberry Agreement on July 27, 2025, whose marked asymmetry in favour confirmed the feared turning point.

This shift in the balance of power is expressed with striking clarity in J. P. Morgan's 2025 annual report. Its Chief Executive Officer, Jamie Dimon, advances the thesis of an irreplaceable transatlantic alliance, whilst denouncing the obstacles that weigh upon it—chief among them certain European regulations he considers counterproductive, notably the CSDDD directive on corporate due diligence, which he describes as "dysfunctional". For Dimon, Europe does not represent a credible alternative to American power: dysfunctional as it is, he argues, it illustrates what incomplete integration looks like when confronted with major blocs.[39] Only a reform of the existing system, driven by a resolute American leadership, strikes him as viable.[40]

It is precisely this leadership that European companies now perceive as a less reliable parameter. For Europe, far from remaining passive, has established itself as a producer of norms—something for which it is constantly criticized across the Atlantic. The AI Act now governs the deployment of artificial intelligence systems; DORA strengthens digital operational resilience requirements from 2025 onwards; and the GDPR, together with the DSA and DMA, remain central benchmarks in the field of compliance. This regulatory densification, perceived in Washington as a constraint on competitiveness, is at the heart of the tensions running through the transatlantic relationship, overtly competing models of power. Whereas

37. Deutsche Telekom, Annual Report 2024, p. 195.

38. Novo Nordisk, Annual Report 2024, p. 39: "Most notably, the new US administration considers imposing a range of trade actions on all articles imported into the US. We navigate this elevated degree of geopolitical uncertainty by monitoring geopolitical developments, actively engaging in policy making and diversifying our supply chain."

39. J. P. Morgan, Annual Report 2025, p. 45: "The middle-sized nations do not have real alternatives in terms of building a unified military or a unified economy that can compete effectively with the United States and China. If these middle nations did, the result would look a lot like what Europe is today: dysfunctional. The only practical alternative is to fix the current situation."

40. J. P. Morgan, Annual Report 2025, p. 45: "Strong American leadership is required — there is no real alternative."

the United States increasingly and openly embraces a logic of power relations —commercial, military, technological, and monetary—Europe continues to place law at the heart of its project. Its norm production reflects a conviction: that international economic relations must be embedded within a framework of shared rules, applicable to all, including the most powerful.

Still, the language employed reflects a fundamentally defensive posture. The concepts of strategic autonomy and value chain diversification are omnipresent. AstraZeneca and Merck invoke these concepts to justify the reshoring or diversification of critical activities, whilst Deutsche Telekom emphasizes the reinforcement of its technological independence —notably through the deployment of Open RAN solutions[41] aimed at reducing dependence on integrated suppliers. The German company notes that cybercrime and industrial espionage are on a constant rise and are becoming ever more complex owing to rapid technological advances and new attack methods.[42]

What about climate risk?

European companies recognize climate change as a factor of global fragility. Hermès refers to the simultaneity of geopolitical and climate crises;[43] Roche recalls that the World Economic Forum ranks climate-related risks among the foremost global risks;[44] and Siemens highlights the ongoing growth of risks associated with the transition to a sustainable economy.[45]

The key distinction lies in the time horizon. Geopolitical risk is described as an immediate threat, with low visibility and a high potential for sudden disruption. Climate risk, by contrast, is for the most part addressed through medium and long-term scenario analyses (2030, 2050, and even 2100).[46] HSBC identifies geopolitical tensions as the principal source of uncertainty for

41. Deutsche Telekom, Annual Report 2025, p. 189: “We are strengthening our technological independence by deploying Open RAN technology (Open Radio Access Network). Open RAN is a shift towards open interfaces and a greater variety of providers in the Radio Access Network. Over 3 thousand Open RAN compatible cell sites are set to be in operation by 2027.”

42. Deutsche Telekom, Annual Report 2025, p. 203: “Cybercrime and industrial espionage continue to be on the rise, and they are becoming ever more complex due to rapidly advancing technologies and attack methods. There is also the risk that geopolitical conflicts, such as the war in Ukraine, will have a negative impact on the cybersecurity situation in Germany and the countries of our European subsidiaries.”

43. Hermès International, Annual Report 2024, p. 4: “2024 was also a pivotal year. Today, the news is full of geopolitical complexity and one major climate crisis after another, highlighting the fragility of what we have previously taken for granted.”

44. Roche Holding AG, Annual Report 2024, p. 116: “The World Economic Forum ranks climate-related risks as the top global risks in its 2024 Global Risk Report, and we are already seeing the severe impacts of climate change worldwide.”

45. Siemens AG, Annual Report 2024, p. 26: “The risks arising from the global transition towards a sustainable economy and the direct impacts of climate change continue to grow.”

46. Siemens AG, Annual Report 2024, p. 23: “Additionally, Siemens w/o SHS analyzes physical climate risks as part of our DNSH assessments under EU Taxonomy requirements. These assessments use Swiss Re’s location-specific climate risk reports based on the “Shared Socioeconomic Pathway” SSP5-8.5 high-emission scenario aligned with the latest Intergovernmental Panel on Climate Change (IPCC) guidance, projecting temperature increases of up to 4°C by 2100 and including hazards such as heat waves, droughts, floods, heavy precipitation, or wildfires.”

2025; Novo Nordisk and Hermès consider that the financial impacts of climate change are not yet significant in the short term. Siemens views geopolitical risk as the primary short-term uncertainty with the potential to affect the global economy.[47] AstraZeneca adopts a similar position, acknowledging the importance of meeting its climate policy objectives whilst noting that climate risk does not, at present, represent the principal threat to the group's activities.[48] This short versus long-term hierarchy nonetheless tends to underestimate the systemic effects of the energy and carbon constraint. The Shift Project notes that the transition must henceforth be thought through "in an era of crises"[49]: inaction prolongs dependence on fossil fuels and locks European economies into a double bind—both climatic and geopolitical.

This temporal hierarchy finds a broader echo in the data from the World Economic Forum's Global Risks Perception Survey (GRPS), which measures the perceived severity of 33 global risks across different time horizons. In the short term, environmental issues recede in favor of geopolitical and economic shocks: the risk of 'extreme weather events' drops from 2nd to 4th place on a two-year horizon, whilst other environmental threats, such as biodiversity loss, slip towards the bottom of the rankings. This downgrading is, however, temporary: on a ten-year horizon, environmental risks again become dominant, with 'extreme weather events' occupying first place and half of the top ten being made up of environmental risks. This shift confirms what European companies themselves appear to be integrating: not a denial of climate risk, but a different temporality—geopolitical risk absorbs the present, whilst the climate threat maps out the horizon.[50]

47. Siemens, Annual Report 2024, p. 22: "The greatest uncertainty continues to stem from escalating trade conflicts, which have the potential to fragment global supply chains and significantly hamper global economic growth." "Key factors such as the development of trade policy, massive investments in AI and related infrastructure, and ongoing geopolitical tensions will play a decisive role in actual economic developments."
48. AstraZeneca PLC, Annual Report 2024, p. 64: "Failure to meet our sustainability targets, regulatory requirements and stakeholder expectations with respect to the environment incorporates climate risk within its scope and is a component of the Group's risk landscape but is not currently considered to be a Principal Risk for the Group."
49. Shift Project, "Réussir la transition dans l'incertitude : la méthode Shift en 20 chantiers", avril 2026, p. 203.
50. World Economic Forum, *The Global Risks Report 2026*, January 2026, "Key Findings", p. 14.

Global risks ranked by severity over the short and long term

Risk	Short term (2 years)
Misinformation and disinformation	1
Extreme weather events	2
State-based armed conflict	3
Societal polarization	4
Cyber espionage and warfare	5
Pollution	6
Inequality	7
Involuntary migration or displacement	8
Geoeconomic confrontation	9
Erosion of human rights and/or of civic freedoms	10

Table: Ifri • Source: World Economic Forum • Created with Datawrapper

Risk	Long term (10 years)
Extreme weather events	1
Biodiversity loss and ecosystem collapse	2
Critical change to Earth systems	3
Natural resource shortages	4
Misinformation and disinformation	5
Adverse outcomes of AI technologies	6
Inequality	7
Societal polarization	8
Cyber espionage and warfare	9
Pollution	10

Table: Ifri • Source: World Economic Forum • Created with Datawrapper

Chinese companies: A priority on ideology

Chinese companies perceive geopolitical risk through the lens of a world order whose foundations they did not help build. They see it as increasingly hostile and intend to reshape it to their advantage. China Construction Bank describes a global context that is "extremely complicated", dominated by the intensification of unilateralism, protectionism, and tariff barriers—all of which serve as powerful drags on global growth and generate heightened uncertainties for international trade and investment.[51] This reading of a system that has become unstable, yet whose initial openness enabled it to stimulate its own economic growth, structures its relationship with risk.

This manifests first in a reinforcement of regulatory compliance arrangements, designed to forestall any risk of sanctions. China Construction Bank highlights the growing sophistication of its digital compliance systems to better manage "internal conduct, anti-money laundering, and sanctions risk".[52] Energy sector companies, such as PetroChina, approach geopolitics through the lens of the security of their international operations, particularly in countries situated along the Belt and Road Initiative.[53]

Beyond external constraints, what distinguishes Chinese companies from their Western counterparts is the explicitly institutional character of their governance. The strategic orientation of the major state-owned banks is directly aligned with decisions taken by the Chinese Communist Party (CCP) and the State Council. Agricultural Bank of China thus affirms that its roadmap rests on the full implementation of the directions emerging from the 20th CPC National Congress, making ideological compliance a pillar of risk management.[54] "Private" groups adopt a more neutral discourse, centered on regulatory compliance and support for national objectives—

51. China Construction Bank, Annual Report 2024, p. 116: "Looking ahead to 2025, global economic growth is expected to remain sluggish with intensified unilateralism and protectionism, an impeded multilateral trading system, and increased tariff barriers. There are still many factors that might cause geopolitical tensions, leading to large uncertainties surrounding the expansion of international trade and investment, and the inflation risk in major developed economies still warrants attention. China is expected to maintain stable growth as the supporting conditions and long-term positive trends have not altered, underpinned by its robust economic foundation, strengths in numerous areas, strong resilience and great potential."

52. China Construction Bank, Annual Report 2024, p. 19: "The digital compliance system grew more sophisticated, ensuring robust and effective management of staff behavior, anti-money laundering, and sanction risk management."

53. PetroChina, Annual Report 2024, p. 17: "The Group will focus on the countries along the "Belt and Road" and strategize the promotion of new overseas oil and gas projects, ensure the refining development of projects such as the one in Rumaila, continuously optimize the regional layout and asset structure, and continuously improve the concentration and return on investment of the overseas oil and gas businesses and assets."

54. Agricultural Bank of China, Annual Report 2024: « In 2025, we will thoroughly implement the guiding principles from the 20th CPC National Congress as well as the Second and Third Plenary Sessions of the 20th CPC Central Committee, fully implement the decisions and plans of the CPC Central Committee and the State Council, further optimize financial services, deepen reform and innovation, and strengthen risk management, so as to act as the major bank in serving the real economy and be the cornerstone of financial stability, and reward investors with excellent operation performance."

notably that of “common prosperity”. Alibaba explicitly acknowledges the extensive authority of the Chinese government over the operations of companies based in China, a reality that its founder, Jack Ma, has sidestepped since 2019 following his public criticism of official policy, embodying it emblematically.

The relationship with the United States illustrates this dual posture with acute clarity. In the banking sector, it is approached first through the lens of compliance: Bank of China has a dedicated committee for monitoring American regulatory requirements,[55] and ICBC highlights its compliance with the prudential standards imposed by the Federal Reserve.[56] This display reflects less an adherence to American norms than a desire to preserve the continuity of their international operations—a necessary condition for maintaining a presence in a global financial system still largely structured around the dollar.

In the technology sector, the United States is perceived as the principal source of risk, but also, paradoxically, as a catalyst for transformation. Xiaomi highlights that American trade and tariff restrictions directly affect the performance and competitiveness of its products;[57] Alibaba acknowledges that American controls on semiconductors constrain its capacity to develop its technologies, particularly in the field of artificial intelligence.[58] Faced with these pressures, the Chinese response is not withdrawal but reorientation: massive investment in in-house R&D, diversification of supply chains, and accelerated expansion into emerging markets. BYD offers the most striking illustration of this, establishing factories in Hungary and Turkey to circumvent tariff barriers and gain direct access to Western markets.

55. Bank of China, Annual Report 2024, p. 185: “In 2024, the US Risk and Management Committee held four on-site meetings on 28 March, 18 June, 13 September, and 17 December, respectively, and two meetings via written resolutions. It regularly reviewed reports regarding the risk management and operations of all of the Bank’s institutions in the US, reviewed and approved important policies, and heard the latest US regulatory trends and dynamics, among others.”

56. Industrial and Commercial Bank of China (ICBC), Annual Report 2024, p. 124: “Primary Responsibilities of the US Risk Committee. In accordance with the relevant requirements in the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations established by the Federal Reserve Board, the US Risk Committee supervised the implementation of the US business-related risk management framework and relevant policies.”

57. Xiaomi Corporation, Annual Report 2024, p. 103: “Given geopolitical uncertainty globally, the Company could face supply chain risks and tariff impacts, which may restrict the performance and market competitiveness of the Company’s smartphones and other products, and may in turn impact the business of the Company. In addition, compliance reviews or claims in some countries could result in the Company being subject to asset freezing, large fines and could adversely impact the Company’s operations. The Company closely monitors the global political and policy situations, continuously promotes the diversification of its supply chain to dilute its concentration risk, accelerates the expansion of emerging markets, deepens its local production and marketing capabilities, and increases in-house R&D investment on core technologies, to minimize the geopolitical impact on the Company’s business.”

58. Alibaba Group Holding Limited, Annual Report 2024, p. 112: “In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical frictions. In particular, the U.S. government has advocated for and taken steps towards restricting trade in certain goods, particularly from China.”

What about climate risk?

Chinese companies do not approach climate risk as an externally imposed constraint, but as a terrain of strategic competition. This dual reading—risk to be managed and opportunity to be seized—structures corporate discourse, driven by the substantial rhetorical investment of the Chinese state.

In the banking sector, climate risk is treated primarily as a factor of vulnerability in credit portfolios. Agricultural Bank of China has incorporated climate stress tests to assess the exposure of its loans to carbon-intensive industries; Bank of China formalizes this approach by explicitly distinguishing between the different dimensions of climate risk according to the Task Force on Climate-related Financial Disclosures (TCFD) framework.[59] This analytical categorization reflects a desire for credibility in international markets.

Beyond the management of climate-related risks, China's major state-owned banks are positioning themselves in a competitive dynamic aimed at establishing themselves as global benchmarks in sustainable finance. Agricultural Bank of China places "Green Finance" among its "Five Major Priorities".[60] ICBC explicitly claims the title of "the world's largest green credit bank",[61] with an outstanding loan balance exceeding RMB 6 trillion at the end of 2024. This ambition extends beyond the financial sector: BYD presents itself as a 'pioneer and global leader in the electric vehicle industry', whilst CATL highlights its lithium-ion battery production capacity—"the largest in the world".[62] In these markets, the energy transition is experienced less as a constraint than as a competitive advantage to be consolidated.

This dynamic is nonetheless running up against rising geopolitical tensions. A study published in February 2024 in the *Journal of Environmental Management*,[63] drawing on a corpus of 12,699 subsidiaries of Chinese multinationals, demonstrates that ESG performance follows an

59. Bank of China, Annual Report 2024, p. 125: "In accordance with the definition and classification of climate risks by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Bank divided climate risks into physical risks and transition risks, identified specific risks and opportunities under each category, and assessed the impact on its business model and value chain and the impact duration."

60. Agricultural Bank of China, Annual Report 2024, p. 88: "We dedicated to the green finance as one of the Five Priorities and improved our climate resilience. Following the principle of "establishing the new before abolishing the old", we enriched our green financial instruments to support low-carbon transformation of traditional industries, promoted our own dual-carbon goals in an orderly manner, served the Beautiful China initiative, and participated in global governance on climate change."

61. ICBC, Annual Report 2024, p. 92: "At the end of 2024, the balance of its green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion, making it the world's largest green credit bank."

62. BYD, Annual Report 2024, p. 24: "As a pioneer and leader in the global new energy vehicle industry, relying on its precise strategic layout, leading technical strength, profound market insights and multi-dimensional industrial landscape, the Group has steadily promoted the upgrading of brand power and the strategic layout of going abroad, and achieved substantial business development driven by the full preparation made in the background of increasingly fierce competition in the industry."

63. Z. Guo, Y. Liang, R. Yang, and J. Zhang, "The Impact of Geopolitical Risks on the ESG Performance of Chinese Multinational Enterprises: The Moderating Role of Firm-Specific Advantages and Country-Specific Advantages", *Sustainability*, Vol. 17, No. 23, 2025.

"inverted-U curve" in response to geopolitical risk. Whilst moderate tensions initially incentivize companies to improve their environmental practices in order to gain legitimacy, the crossing of a high-risk threshold leads to a decline in sustainability commitments in favor of more conventional strategies. This phenomenon has been observed more broadly since 2022, in a context of heightened geopolitical instability. Global investment in sectors aligned with the Sustainable Development Goals (SDGs) has fallen by 10%, whilst in developing countries, foreign direct investment in renewable energies has declined by 5%, and that linked to sanitation by 17%.[64] Although China raised its stock of outward foreign direct investment to 3rd place globally in 2023, the rising tide of geopolitical uncertainties is compelling its multinationals to balance climate ambitions against operational imperatives in the face of the risk of sanctions and market closures.

The market for prediction and risk analysis remains largely dominated by the United States. For ideological reasons, the Chinese Communist Party (CCP) discourages speculation about the evolution of the international system and invests massively in artificial intelligence tools designed to anticipate obstacles and steer activity. The CCP promotes "ecological civilization", which, at an ideological level, constitutes the transitional stage between socialism and communism and represents the principal 'innovation' of Chinese Marxism as applied to the development of societies.[65]

Indian and Saudi companies: A priority on multi-alignment

Indian companies: "reimagining the future"

Indian companies see in the world's recomposition more opportunities than threats. As of March 31, 2025, three Indian companies feature among the 100 largest stock market capitalizations in the world. India's presence rests on national champions drawn from key sectors: energy with Reliance Industries, technology services with Tata Consultancy Services (TCS), and finance with HDFC Bank. All benefit from a particularly favorable domestic market dynamic, which helps to cushion external shocks.

In their annual reports, these companies converge on a common diagnosis: the past year was marked by exceptional geopolitical instability. However, this observation is systematically tempered by an emphasis on national macroeconomic resilience.[66] India has maintained its status as a major economy—a performance attributed to "favorable demographic

64. World Investment Report 2024: Investment Facilitation and Digital Government", UN Trade and Development (UNCTAD), available at: https://unctad.org.

65. M. Briens and T. Gomart, "Comment préparer 2050 ? De la 'prévoyance' à la 'grande stratégie'", *Politique étrangère*, Vol. 96, No. 4, Ifri, 2021, p. 25.

66. Reliance Industries, Annual Report 2024, p. 7: "Despite global headwinds, the Indian economy was remarkably resilient."

dynamics and a vast domestic market".[67] This structural confidence translates into a strategic approach grounded in a recurring principle: "pursue your goals even in the face of difficulties and convert adversities into opportunities".[68] Reliance Industries explicitly asserts that changes in the global environment represent not threats but opportunities to "reimagine the future"[69] and accelerate its transformation into a cutting-edge technology company. In the same vein, TCS interprets the transition to a multipolar world as a pivotal moment, calling on companies to convert geopolitical disruptions into "strategic advantages".[70]

This optimistic reading is not naïve, insofar as it incorporates relations of power. The relationship between India and China is, in this regard, ambivalent—oscillating between competition and opportunity. Reliance Industries identifies "China's self-sufficiency, the rise of its exports and its trade agreements" as a threat,[71] which weighs on its margins. At the same time, the diversification of supply chains away from China is presented as a major lever for redirecting investment flows towards India. HDFC Bank thus identifies China-related tensions as a "direct opportunity for the Indian economy".[72]

India simultaneously maintains strategic partnerships with the United States within the Quad framework, an energy relationship with Russia that it continues to deepen despite Western sanctions, growing economic cooperation with Gulf countries, a free trade agreement with the European Union and a relationship of intense rivalry-cum-interdependence with China. This diplomatic posture is reflected directly in the strategies of major companies: they can access markets that their American or European competitors can no longer serve without risking sanctions, whilst remaining integrated into Western value chains. This positioning is not without fragility: it depends on India's capacity to maintain its credibility simultaneously with all its partners. The whole is embedded within the ideological framework of "Viksit Bharat",[73] which mobilizes global

67. Ibid.

68. Reliance Industries, Annual Report 2024, p. 1: "Pursue your goals even in the face of difficulties, and convert adversities into opportunities."

69. Reliance Industries, Annual Report 2024, p. 4: "The world is changing at breakneck speed — reshaped by digital disruption, global shifts, and technological breakthroughs. At Reliance, we see this not as a challenge but as an opportunity. We are reimagining our future and reshaping our businesses to become a new-age deep-tech enterprise."

70. Tata Consultancy Services, Annual Report 2024, p. 5: "Businesses must adapt quickly, anticipate change and turn potential disruptions into strategic advantages. This ongoing evolution requires perpetual adaptation across all business facets."

71. Reliance Industries, Annual Report 2024, p. 21: "China's self-sufficiency, rising exports, and trade agreements disrupt global trade, impacting margins."

72. HDFC, Annual Report 2024, p. 120: "In addition, a continued diversification of supply chains out of China and to other emerging markets is likely to channel investment flows into India."

73. Reliance Industries, Annual Report 2024, p. 30: "Reliance's sustainable growth is guided by the belief that "What is good for India is good for Reliance." Driven by breakthrough technologies and innovation, the Company is rapidly transforming into a deep-tech and advanced manufacturing leader, contributing to India's progress towards Viksit Bharat with high-quality products and services."

geopolitical risks to legitimize an acceleration of economic autonomy strategies—notably through Make in India policies.

Gulf State companies: A priority on energy security

Saudi Aramco occupies a singular position in this panorama.[74] The world's largest market capitalization by some measures (ranked 6th as of March 31, 2025), the company reads the geopolitical reconfiguration through the lens of global energy security. Its annual report, published in March 2025, acknowledges plainly the vulnerabilities to which the Saudi company is exposed: regional instability in the MENA zone, threats to the Strait of Hormuz, and passage through the Red Sea are all identified as major risks to its operational results.[75] To prepare for these, Aramco relies on its maximum production capacity of 12 million barrels per day[76]—designed precisely as an alternative supply option in the event of a disruption.

Beyond risk management, Aramco deploys an avowedly globalization-oriented vision, one explicitly directed towards emerging economies. The company advocates a "multi-source, multi-speed, and multi-dimensional"[77] approach to the energy transition, maintaining that the growing demand from Global South economies "can only be satisfied through a mix of sources that includes oil and gas".[78]

What about climate risk?

Aramco's position on climate risk is perhaps the most strategically calibrated of any company in the corpus studied. The company acknowledges it as a major risk to the long-term viability of its business model, whilst constructing around this acknowledgment an argument that legitimizes precisely the continued existence of that model.

The report identifies four dimensions of exposure. On the demand side, Aramco indicates that "climate concerns could reduce global demand for hydrocarbons and hydrocarbon-based products"[79] by favoring the shift to

74. M.-A. Eyl-Mazzega and D.-P. Gherasim, *Géopolitique du carbone. L'Europe en quête de puissance climatique*, Paris: Le Cavalier Bleu, 2025, p. 105-110.

75. Saudi Aramco, Annual Report 2024, p. 84: "The majority of Aramco's crude oil production is exported using international supply routes. In particular, the Strait of Hormuz, the Red Sea, and the Suez Canal are key shipping routes for Aramco's crude oil and are located in areas subject to political or armed conflict from time to time."

76. Saudi Aramco, Annual Report 2024, p. 42: "Aramco maintained its position as one of the world's largest producers of crude oil and condensate with an average total daily hydrocarbon production of 12.4 mmboed (2023: 12.8 mmboed)."

77. Saudi Aramco, Annual Report 2024, p. 8: "The global energy transition requires a multi-source, multi-speed, and multi-dimensional approach to properly address the energy security, affordability, and sustainability priorities of individual countries. We remain confident in Aramco's ability to thrive in an increasingly carbon-conscious world."

78. Saudi Aramco, Annual Report 2024, p. 8: "as economies in the Global South grow and living standards there rise, we believe the corresponding increased energy demand can only be satisfied through a mix of sources that includes oil and gas."

79. Saudi Aramco, Annual Report 2024, p. 74.

decarbonized energy sources. On the financial side, investors might reallocate their capital towards renewable energy, thereby reducing the funds available for oil exploration and development.[80] On the legal side, the company signals an increase in lawsuits related to environmental damage or accusations of greenwashing concerning its declared objectives for achieving carbon neutrality.[81] Finally, on the physical side, extreme weather conditions threaten the integrity of its installations. The report states plainly: "Climate change may have a significant adverse effect on Aramco's operations, financial position, and operating results."[82]

It is precisely from this acknowledgment that the oil company's counter-argument is elaborated. Aramco asserts that the growing demand from Global South economies "can only be satisfied through a mix of sources that includes oil and gas", and that the transition is "a complex process that will take decades rather than a singular event".[83] In doing so, it positions itself as the advocate of developing economies in the global debate on the pace of decarbonization.

This posture coexists with genuine operational decarbonization commitments, even if their scope is carefully delimited. Aramco has set itself the ambition of achieving carbon neutrality on its Scope 1 and Scope 2 emissions by 2050, and of reducing the carbon intensity of its upstream activities by at least 15% by 2035 relative to 2018.[84] To achieve this, the company has created a dedicated "New Energies" organisation, structured around five levers: operational energy efficiency; carbon capture and storage with a hub at Jubail targeting 9 million tonnes of CO_2 per year by 2028; investment in 12 gigawatts of solar and wind capacity by 2030; production of blue hydrogen and ammonia; and natural carbon sequestration solutions, including the planting of 43 million mangrove trees. These commitments are substantial, but they apply exclusively to production emissions, leaving Scope 3 intact—that is to say, the emissions generated by the combustion of

80. Saudi Aramco, Annual Report 2024, p. 73: "As climate change concerns grow, investors may choose to allocate their funds toward other investments, such as renewable energy projects. This shift in investment priorities may also reduce the capital available for hydrocarbon-based projects and exploration. A reduction in demand for hydrocarbons and hydrocarbon-based products or limitations on the ability to raise capital for new projects or investments on favorable terms could have a material adverse effect on Aramco's business, financial position, and results of operations."
81. Saudi Aramco, Annual Report, p. 77: "Also, increasing attention on climate change risks may result in increased litigation against Aramco and its affiliates. Claims relating to climate change matters have been filed against companies in the oil and gas industry by private parties, shareholders of such companies, public interest organizations, state attorneys general, cities and other localities, especially in the United States and Europe. These lawsuits seek a variety of remedies, including financial compensation for alleged past and future damages resulting from climate change and court orders requiring energy companies to reduce GHG emissions."
82. Saudi Aramco, Annual Report 2024, p. 73.
83. Saudi Aramco, Annual Report 2024, p. 6: "With the world's demand for energy continuing to grow, clearly one of the defining challenges of our time will be meeting this rising need while also lowering overall emissions to address climate challenges. What is also clear is that the global energy transition to a lower-carbon future is a complex process that will take decades rather than a singular event."
84. Saudi Aramco, Annual Report 2024, p. 1.

the hydrocarbons sold, which account for the bulk of the company's actual climate footprint. This framing reveals the coherence of Aramco's climate strategy: to decarbonize production in order to reduce exposure to regulatory and reputational risks, without calling into question the volume of sales. It is a strategy of adaptation to climate risk, not of contribution to its resolution.

The war in Iran, which broke out at the end of February 2026, has brutally reconfigured this debate. Within a matter of weeks, the blockade of the Strait of Hormuz transformed Aramco's central thesis—that global energy security depends on the continued availability of hydrocarbons—into a lived reality for economies experiencing supply difficulties. On March 20, 2026, Fatih Birol, Executive Director of the International Energy Agency, framed this in unprecedented terms: "We are facing the greatest threat to global energy security in all of history."[85] In this context, Aramco's argument finds a strong resonance.

The nature of the risk

The energy sector: The vulnerability of infrastructure

An analysis of annual reports reveals a contrast in the perception of geopolitical risk across sectors. Nowhere is this risk as immediate, physical, and quantifiable as in the energy sector, where it directly affects asset security, operational continuity, and commodity price volatility.

Shell refers to disruptions to transit through the Red Sea and the Strait of Hormuz as factors of price volatility throughout 2024[86] in its annual report published in March 2025. It specifies, with regard to its operations in Nigeria, that "security issues, sabotage, and crude oil theft" constitute major challenges to the integrity of its installations. In 2024, approximately 81% of crude oil spill incidents at SPDC joint venture sites were caused by "illegal activities of third parties"[87]—primarily sabotage and theft. Geopolitical risk here takes a concrete form. Shell also documents a broad spectrum of political and regulatory risks that it has, in its own words, "already experienced": forced divestment of assets, expropriation, unilateral contract

85. "Nous sommes confrontés à la plus grande menace pour la sécurité énergétique mondiale de toute l'histoire", *Le Monde,* March 20, 2026, available at: www.lemonde.fr.
86. Shell, Annual Report 2024, p. 28: "Conflicts in the Middle East and Europe caused some spikes in oil prices throughout the year as the market perceived increased risks to oil infrastructure and key shipping routes, such as the Red Sea."
87. Shell, Annual Report 2024, p. 113: "SPDC JV – Nigeria: spills caused by crude theft and sabotage. In 2024, about 81% of crude oil spill incidents of more than 100 kilograms from SPDC JV facilities were caused by the illegal activities of third parties. In 2024, the volume of crude oil spills of more than 100 kilograms caused by crude theft and sabotage was 2.0 thousand tonnes (84 incidents)."

cancellation,[88] windfall taxes, and foreign exchange controls. In its report, Linde records that, following Russia's large-scale war of aggression against Ukraine, the loss of operational and accounting control over its Russian subsidiaries led it to deconsolidate them in June 2022, recording a loss of $787 million.[89] Chevron explicitly highlights the "link between energy and geopolitics",[90] whilst ExxonMobil identifies trade sanctions and the "decoupling of economies"[91] as factors likely to durably affect global demand for energy and petrochemical products. For these companies, geopolitical risk is therefore not an external variable to be monitored: it is a structural component of the operating model, embedded in costs, provisions, and asset strategies. What distinguishes them from other sectors is less an awareness of risk than its immediately operational character—geopolitics strikes not order books or exchange rates, but pipelines, tankers, and wells.

The financial sector: obstacles to fluidity

Financial sector companies such as Goldman Sachs, HSBC, and American Express approach geopolitical risk primarily through the lens of sanctions—and more particularly their extraterritorial reach.

HSBC highlights in particular that the American "secondary sanctions" regime grants US authorities broad latitude to impose severe sanctions on non-American banks, with potentially "significantly adverse"[92] effects on their operations. American Express echoes this concern, warning that failure to comply with complex regulations such as those of the OFAC or other international sanctions regimes can entail heavy legal consequences, up to

88. Shell, Annual Report 2024, p. 113: "SPDC JV – Nigeria: spills caused by crude theft and sabotage. In 2024, about 81% of crude oil spill incidents of more than 100 kilograms from SPDC JV facilities were caused by the illegal activities of third parties. In 2024, the volume of crude oil spills of more than 100 kilograms caused by crude theft and sabotage was 2.0 thousand tonnes (84 incidents)."

89. Linde, Annual Report 2024, p. 54: "In response to the Russian invasion of Ukraine, multiple jurisdictions, including Europe and the U.S., have imposed several tranches of economic sanctions on Russia. As a result, Linde reassessed its ability to control its Russian subsidiaries and determined that as of June 30, 2022 it can no longer exercise control over these entities. As such, Linde deconsolidated its Russian gas and engineering business entities as of June 30, 2022. The deconsolidation of the company's Russian gas and engineering business entities resulted in a loss of $787 million ($730 million after tax)."

90. Chevron, Annual Report 2024, p. 4: "Growing demand for all types of energy – including oil and natural gas – occurred amid continued instability in the Middle East and Europe, highlighting the link between energy and geopolitics."

91. ExxonMobil, Annual Report 2024, p. 2: "The demand for energy and petrochemicals is generally linked closely with broad-based economic activities and levels of prosperity. The occurrence of economic downturns, recessions or other periods of low or negative economic growth will typically have a direct adverse impact on our results. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, government regulation or austerity programs, national or regional trade tariffs, trade sanctions or trade controls, international monetary and currency exchange rate fluctuations, decoupling of economies, disruptions in trade alliances or military alliances, or a broader breakdown in global trade, security or public health issues and responses, can also impact the demand for energy and petrochemicals."

92. HSBC, Annual Report 2024, p. 37: "The US has expanded the reach of its secondary sanctions regime, which includes broad discretion to impose severe sanctions on non-US banks. The imposition of such sanctions against any non-US HSBC entity could result in significant adverse commercial, operational and reputational consequences for HSBC."

and including the freezing of bank deposits or other financial assets. What these two institutions describe is an asymmetry of regulatory power: the United States possesses, via the dollar and the SWIFT system, a coercive lever over all global financial actors—American or otherwise. Institutions such as HSBC and Bank of China translate international tensions into terms of sanctions compliance and the reinforcement of anti-money laundering (AML) arrangements. Global payment networks such as Visa and Mastercard explicitly invoke the risk of nationalization of their subsidiaries, notably in Russia. HSBC insists in this regard on the operational uncertainty created by the discretion available to the United States to impose extraterritorial sanctions on non-American financial actors.[93]

Beyond sanctions, financial companies are closely monitoring the critical nodes of global trade—in particular, payment systems. The Commonwealth Bank of Australia highlights that geopolitical rivalry between the United States and China is causing increasing disruption to cross-border capital flows and international payment systems.[94] For its part, Indian bank HDFC identifies the search for alternatives to dollar-dominated payment systems as an emerging strategic risk.[95] This evolution is not theoretical: Bank of China is leveraging its yuan payment infrastructure and the CIPS system to consolidate its influence in the global payments landscape, claiming first place globally in terms of the number of direct and indirect participants in the system.[96] At the opposite end of the spectrum, Alibaba explicitly identifies the risk of exclusion from the SWIFT network as a critical threat to the access of Chinese companies to international payments.[97] These two readings—one offensive, the other defensive—illustrate the same reality: the global payment system has become a fully-fledged arena of geopolitical confrontation, where access to financial infrastructure is a weapon as much as a service.

93. HSBC, Annual Report 2024, p. 37: "The US has expanded the reach of its secondary sanctions regime, which includes broad discretion to impose severe sanctions on non-US banks. The imposition of such sanctions against any non-US HSBC entity could result in significant adverse commercial, operational and reputational consequences for HSBC."

94. Commonwealth Bank of Australia, Annual Report 2024, p. 70: "Competition between the US and China is challenging the global financial system, creating disruption to cross-border allocation of capital, payment systems, critical minerals and technology standards."

95. HDFC Bank, Annual Report 2024, p. 76: "Recently, nations and market participants have increasingly sought alternatives to the U.S. dollar, exploring different currencies or payment systems. The Bank is closely monitoring the ongoing geopolitical events and shift in global trade patterns to take necessary actions."

96. Bank of China, Annual Report 2024, p. 51: "The Bank further consolidated its leading edge in cross-border RMB payments. It continually supported the global coverage expansion of CIPS, and ranked first in the number of CIPS direct participant and indirect participant relationships. The Bank accounted for 16 of the world's 34 RMB clearing banks authorised by the People's Bank of China, continuing to lead its peers."

97. Alibaba, Annual Report 2024, p. 114: "Moreover, certain reports have suggested that the U.S. government may use its influence to block Chinese financial institutions from using the SWIFT network that enables financial institutions to send and receive information about financial transactions, which may in turn adversely affect the ability of China-based companies to access international payment, clearance and settlement networks."

Cybersecurity constitutes another vulnerability. Whereas energy sector companies fear cyberattacks targeting their physical infrastructure, financial institutions are above all concerned about a breakdown of market confidence. Goldman Sachs warns that "prolonged geopolitical tensions could result in an increased frequency and volume of failures in the settlement and delivery of securities transactions, as well as a heightened risk of cyberattacks".[98] Institutions perceive themselves as prime targets in confrontations between states. Visa highlights the presence of state-sponsored cyberattacks, noting that geopolitical tensions increase both their frequency and their sophistication.[99]

What fundamentally distinguishes the financial sector from other sectors is that geopolitical risk threatens not so much physical assets as the confidence on which the entire system rests. This is why financial institutions invest massively in regulatory compliance—not as an externally imposed constraint, but as a condition of fluidity of exchanges.

The pharmaceutical sector: The resilience of value chains and the preservation of regulatory frameworks

Historically, the pharmaceutical sector has benefited from a form of immunity from trade wars, with medicines generally excluded from commercial retaliatory measures on account of their status as essential goods. This immunity has progressively eroded. Over the course of successive crises—notably the COVID-19 pandemic—the sector has discovered that its value chains are particularly vulnerable.[100] The 13 pharmaceutical companies present in the global Top 100, predominantly American but with major European actors amongst them, now share a common conviction: geopolitical risk is no longer an external variable; it is a central determinant of their investment decisions in R&D and production capacity. In this regard, an analysis of annual reports shows that pandemic risk has, since the COVID-19 experience, been treated by virtually all major

98. Goldman Sachs, Annual Report 2024, p. 39: " The escalation or continuation of these conflicts or other hostilities could result in, among other things, an increased risk of cyber attacks, an increased frequency and volume of failures to settle securities transactions, supply chain disruptions, higher inflation, lower consumer demand and increased volatility in commodity, currency and other financial markets."

99. Visa, Annual Report 2024, p. 30: "Furthermore, our visibility and role in the global payments industry also puts our company at a greater risk of being targeted by hackers. In the normal course of our business, we have been the target of malicious cyber activity. We have been, and may continue to be, impacted by attacks and data security breaches of financial institutions, merchants, and third-party service providers. We are also aware of instances where governments have directed or sponsored attacks against some of our financial institution clients, and other instances where merchants and issuers have encountered substantial data security breaches affecting their customers, some of whom were Visa account holders."

100. *Securing Medical Supply Chains in a Post-Pandemic World*, OECD Health Policy Studies, 2024.

companies as a global systemic risk, one capable of simultaneously affecting supply, demand, and operational conditions.[101]

The first risk vector is that of supply chains—and more particularly the dependence on China for active pharmaceutical ingredients and critical raw materials. Many companies, such as Amgen and Intuitive Surgical, acknowledge their dependence on single suppliers for certain critical components.[102] Faced with this exposure, the sector's response is structured around de-risking strategies: diversification of supply sources, reshoring of certain critical production activities, and the building of strategic stocks. But this reorientation is costly, slow, and partly incompatible with the optimization logic that, for three decades, has driven the concentration of production in Asia.

The second risk vector for the pharmaceutical sector is regulatory in nature, and it has taken a concrete form with the adoption of the Biosecure Act. Amgen had already identified this legislation as a significant risk factor in its annual report when it was still at the draft stage. The law has since been enacted on December 18, 2025, incorporated into the National Defense Authorization Act for Fiscal Year 2026:[103] it now prohibits US federal agencies from contracting with companies that collaborate with "biotechnology companies of concern" located in geographies deemed at risk —China being first among them. What makes Amgen's position particularly exposed is that China is its priority growth market. The company has developed a strategic collaboration with BeiGene, one of the leading Chinese biopharmaceutical groups, for the development and commercialization of its products in the local market. Whilst a five-year transition period is provided for existing contracts, this means mapping its entire biotechnology supply chain, identifying providers likely to be designated as "companies of concern"[104] and building alternatives.

European companies add a more structural dimension to these operational concerns. AstraZeneca identifies the weakening of the rule of law and the rise of protectionism as threats bearing not only on commercial conditions, but also on the protection of intellectual property itself—a sine qua non for the long-term financing of research.

101. Roche, Annual Report 2024, p. 26: "Continuous threat from newly emerging or resistant infectious diseases is leading to epidemic/pandemic crises."

102. Intuitive Surgical, Annual Report 2024, p. 63: "Supply chain constraints have generally improved to pre-COVID-19 pandemic levels, with some isolated residual stresses, particularly for engineered raw materials and at certain subcontract suppliers that are operationally challenged to meet our production requirements. These isolated instances did not have a material impact during 2024. Additionally, material and labor prices to produce some components remain elevated from historical levels due to market dynamics, demand mix, or general cost inflation within the supply chain. With elevated interest rates, access to credit is more difficult, and any insolvency of certain suppliers, including sole- and single sourced suppliers, may have heightened continuity risks."

103. *Biosecure Act*, intégré au *National Defense Authorization Act for Fiscal Year 2026* (Public Law 119-60), 119th Congress, 2025, available at: E:\PUBLAW\PUBL060.119.

104. Ibid.

This reading aligns with that of European companies in other sectors: the erosion of international norms is perceived as a deeper and more lasting threat than one-off commercial shocks, precisely because it calls into question the very framework within which trade and investment are possible. For the pharmaceutical sector, whose business model rests on long investment horizons and international legal protection of its intangible assets, this erosion is not merely one risk among others; it is a challenge to the very foundations upon which the entire innovation chain is built.

The technology sector: political fragmentation

In 2025, the technology sector confirms its dominant position in the global economy, accounting for 33% of the total stock market capitalisation of the global Top 100 with 22 companies and a combined capitalisation of $13,922 billion.

Technology companies perceive the world as an ecosystem increasingly fragmented by political and legislative barriers. In the semiconductor sector, geopolitical risk takes the form first and foremost of a geographical concentration of production whose implications are potentially catastrophic. Companies such as Qualcomm highlight the critical dependence on Taiwan: “Our business depends on our ability to receive consistent and reliable chipset supply from our foundry partners, particularly in Taiwan. Consequently, a significant or prolonged military or other geopolitical conflict involving China and Taiwan could severely limit or prevent us from receiving chipset supply from Taiwan, which would have a material adverse impact on our business (and likely on the semiconductor industry as a whole)”.[105]

Faced with this structural vulnerability, certain companies have turned geopolitics into a commercial argument in its own right. Texas Instruments presents its predominantly in-house production as a “geopolitically dependable capacity”[106]—a phrase that reveals a world in which the location of production has become a criterion of competitiveness on a par with cost or quality. In doing so, the company does not merely endure geopolitical fragmentation: it monetizes it, transforming its resilience into a differentiating advantage for customers keen to secure their supply chains.

105. Qualcomm, Annual Report 2024, p. 35: “Our business depends on our ability to receive consistent and reliable chipset supply from our foundry partners, particularly in Taiwan. Consequently, a significant or prolonged, military or other geopolitical conflict involving China and Taiwan could severely limit or prevent us from receiving chipset supply from Taiwan, which would have a material adverse impact on our business (and likely on the semiconductor industry as a whole).”

106. Texas Instruments, Annual Report 2024, p. 6: “We invest in manufacturing technologies and do most of our manufacturing in-house. This strategic decision to make manufacturing and technology a core competitive advantage provides us with tangible benefits of lower manufacturing costs and greater control of our supply chain, offering our customers geopolitically dependable capacity.”

Beyond geographical concentration, trade restrictions constitute a second risk vector, whose intensity has increased considerably since 2022. NVIDIA and ASML face export controls and American entity lists capable of excluding them from strategic markets—particularly in China. For both companies, the risk is asymmetric: forgoing the Chinese market represents a considerable loss of revenue, but circumventing American restrictions would expose them to sanctions capable of jeopardizing the entirety of their global operations. They are caught between their foremost future market and their regulatory framework of origin.

From the Chinese side, the perception is symmetrically inverse. Alibaba identifies Western decoupling strategies as a direct threat to the modernization of its infrastructure and its global competitiveness: restrictions on advanced semiconductors are experienced not as an ordinary commercial constraint, but as a deliberate attempt to cap Chinese technological capabilities—particularly in the field of artificial intelligence, where access to the latest generation of chips is a sine qua non of development.

The third dimension of technological risk is that of critical infrastructure, whose security is now explicitly linked to national security imperatives. Telecommunications and network providers occupy a particularly exposed position in this regard. Verizon notes that the FCC is addressing the use by American companies of equipment produced by companies deemed to pose potential national security risks—a direct reference to Huawei and ZTE equipment, the replacement of which represents a considerable operational cost for American operators.[107] Cisco, for its part, operates in an increasingly complex regulatory environment covering, simultaneously, the protection of personal data, cybersecurity, operational resilience, artificial intelligence, international trade, and national security—all domains in which regulations are evolving rapidly and whose interpretation by courts and regulators remains uncertain.[108]

The question is no longer whether the technology sector will fragment into distinct blocs, but how quickly—and which companies will have managed, by then, to position themselves on both sides of the divide.

107. Verizon, Annual Report 2024 p. 10: "The FCC is also addressing the use by American companies of equipment produced by certain companies deemed to cause potential national security risks."
108. Cisco, Annual Report 2024, p. 8: "We are subject to numerous regulations and laws in the United States and abroad that involve matters central to our business. Many of these regulations and laws are evolving and their applicability and scope, as interpreted by courts and regulators, remain uncertain. These regulations and laws involve a variety of matters including privacy, data protection and personal information, cybersecurity, operational resilience, AI, tax, trade, encryption technology, environmental sustainability (including climate change), human rights, product certification, and national security."

Risk as a source of opportunity

Any reading of annual reports would be incomplete if it were limited to an inventory of threats. A number of companies—primarily, though not exclusively, in the technology sector—have effected a reversal of perspective: geopolitical fragmentation is no longer merely a risk to be hedged; it is a market to be created. This conversion of constraint into opportunity may well be the most significant strategic trend of the period.

In the semiconductor sector, ASML provides a telling illustration of this. The Dutch company, whose lithography machines are indispensable to the manufacture of the most advanced chips, finds itself at the heart of geopolitical tensions between the United States, Europe, and China. Yet it reads these tensions not as a threat to its markets, but as a powerful catalyst for investment in new regions: as governments increasingly recognize the strategic significance of semiconductor manufacturing, the American and European Chips Acts are incentivizing its customers to build new factories in their respective territories.[109]

Texas Instruments draws a similar logic through to its commercial conclusion. By insourcing the bulk of its production and consolidating its manufacturing technologies on American soil, the company does not merely reduce its exposure to geopolitical risks: it transforms this resilience into a central argument, offering its customers a “geopolitically dependable capacity”.[110] In a world where supply security has become a priority concern for industrialists, this value proposition goes beyond mere technical quality —it responds to a strategic anxiety. Geopolitics creates here a premium for proximity, in both the literal and figurative sense: the “geopolitical distance”[111] between trading partners, calculated on the basis of their diplomatic positions, has contracted since 2017 within the consolidating blocs—and it is precisely in this narrowed space that Texas Instruments builds its advantage.

For the major cloud and digital services players, the opportunity vector is different but equally structuring: it is regulatory fragmentation itself that is generating new markets. The growing requirements for data localization, digital resilience, and digital sovereignty imposed by governments—in Europe via the GDPR and the Data Act, in the United States via sectoral regulations, and in Asia via increasingly stringent national legislation— could have been experienced as so many operational constraints. Microsoft has chosen to turn them into a product. The company is investing heavily in

109. ASML, Annual Report 2024, p. 34: “As governments increasingly see semiconductor manufacturing as strategically significant, chips acts are incentivizing our customers to build manufacturing facilities in the US, Europe and Asia.”

110. Texas Instruments, Annual Report 2024, p. 6.

111. Direction générale du Trésor, *Quelle fragmentation géopolitique des échanges ?* Ministère de l’Économie, des Finances et de la Souveraineté industrielle et numérique, 2024, available at: www.tresor.economie.gouv.fr.

"sovereign cloud"[112] solutions specifically designed to meet the data residency requirements of governments and industries worldwide. In doing so, it does not merely endure regulatory fragmentation: it anticipates it, structures it into differentiated commercial offerings, and turns it into a competitive advantage.

What this capacity to transform geopolitical constraint into opportunity reveals is a profound evolution in the relationship between major technology companies and states. Whereas energy companies negotiate access to resources and financial companies negotiate access to capital markets, technology companies now negotiate access to data, digital infrastructure, and innovation ecosystems—assets whose strategic value states are increasingly coming to recognize. This recognition creates a new form of interdependence: states need private technological capabilities to ensure their digital sovereignty; companies need public procurement and favorable regulatory frameworks to finance their colossal investments. Geopolitical risk is shifting the negotiating space between the sovereign and the merchant.

112. Microsoft, Annual Report 2024, p. 3: "We are also driving and benefiting from compounding improvements in silicon, systems, and models to improve performance and efficiency. And we continue to invest in sovereign cloud offerings to meet the unique data residency needs of governments and industries worldwide."

Conclusion

The global economy is witnessing the principle of efficiency being challenged by that of resilience. Post-1991 globalization consisted of intensifying international trade at all costs, making organizations ever more performant in that regard. As a former strategy consultant turned investor acknowledges, it was fundamentally about "maximizing geopolitics".[113] Henceforth, organizations must strive to bring it under control as far as possible. Yet the cross-cutting analysis of annual reports leads to a central finding: geopolitical risk is not an exogenous, uniform variable but a construct whose interpretation depends on a dual geography. First, that of decision-making centers, which anchors each organization within a national and ideological framework at a moment when 'economic security' has once again become a structural priority in the United States, China, and—to a lesser extent—in Europe and India. Second, that of operations, exposures, and the composition of the shareholder base, which determines the concrete nature of vulnerabilities. It is at the intersection of these two geographies that risk perception is formed, and it is there that approaches diverge most markedly between companies. From this standpoint, the analysis would merit extension through monographs—contingent upon access to data.

American companies, buoyed by their systemic weight, continue to impose a global reading in which geopolitical risk is seen above all as a threat to their hegemony and to national security. European companies favor legal stability and supply chain resilience, reflecting economies that are more exposed to interdependence breakdowns. Chinese companies, aligned with the priorities of the Communist Party, interpret international tensions as obstacles to their expansion and seek to circumvent the barriers imposed by rival powers. Indian companies, finally, maintain a discourse of open globalization, consistent with their development trajectory. In each case, it is the sector that determines what is feared, and geography that explains why and how that risk is articulated.

A second finding merits highlighting, as it runs through the entirety of the corpus studied: the persistent gap between the temporality of geopolitical risk and that of climate risk. The former is treated as an operational urgency —a short-term horizon calling for immediate responses in terms of governance and resource allocation. The latter, whilst identified as material and structurally significant, remains for the most part deferred to the long term (the 2050 horizon, net-zero trajectories), which tends to dilute its concrete management within annual decision-making cycles. This temporal

113. Interview with the authors, April 2026.

asymmetry is itself a risk: it exposes organizations to abrupt adjustments when the effects of climate change impose themselves at a pace that long-term models had not anticipated.[114]

A third finding is beginning to emerge, and the 2025 editions of annual reports already bear its trace: that of artificial intelligence. Wells Fargo's Chief Executive Officer declares that "AI will probably be the most impactful development that we will witness in our lifetime";[115] NVIDIA announces a "new industrial revolution";[116] Amazon invokes the metaphor of electricity to convey its reach,[117] and Adobe sees in it a "generational opportunity to serve an increasingly large and diverse customer universe".[118]

These declarations are not merely forward-looking postures: they are grounded in already measurable operational realities. Chevron relies on an in-house generative AI platform capable of transforming vast quantities of subsurface data into "useful insights in just seconds"[119] for oil exploration. ICBC has launched its 'AI+' action plan, with "AI digital employees handling the workloads of 55,000 persons a year".[120] Saudi Aramco increased its AI

114. N. F. Rahim, Z. Sulong, M. Abdullah and G. M. Wali Ullah, "Geopolitical Risk and Firm Climate Change Risk", *Finance Research Letters*, Vol. 85, 2025.

115. Wells Fargo, Annual Report 2025, p. 7: "Not to be dramatic, but AI will probably be the most impactful development that we will witness in our lifetime. The opportunities seem endless as you think about how models and agents will continue to consume data and improve their ability to analyze, draw conclusions, create, and reason. The limitations regarding their future capabilities remain uncertain. I am not going to attempt to predict the impact more broadly outside of businesses, though it will be significant and carries risks and unknowns that need to be carefully navigated."

116. NVIDIA, Annual Report 2025, p. 2: "We're entering a new industrial revolution. This time, intelligence is the product. Generative and agentic AI generate, reason, and act. Like electricity, intelligence is becoming a ubiquitous utility. Nations are building AI infrastructure, and NVIDIA powers this transformation. We're not just advancing AI. We're building the infrastructure of intelligence, turning computing into a generative force for every industry."

117. Amazon, Annual Report 2025 p. 5: "*We have never seen a technology more quickly adopted than AI*. When ChatGPT launched in November 2022, it reached 100 million users in two months—four times faster than TikTok and 15 times faster than Instagram (ChatGPT already has over 900 million weekly active users). Both OpenAI and Anthropic have revenue run rates reportedly approaching $30 billion. These are breathtaking numbers for companies this soon after their commercial launches. When Edison opened his first commercial power station in 1882, most people understood it as a better way to light a room. What they couldn't see was that electricity would eventually reorganize every factory, home, and industry on Earth. AI may have comparable impact. The difference is that electricity took 40 years to get where it was going. AI appears to be moving ten times faster."

118. Adobe, Annual Report 2025, p. 5: "AI represents a generational opportunity to serve an increasingly large and diverse customer universe. Adobe's approach to AI is rooted in the belief that creativity is a uniquely human trait – and that AI has the power to assist and amplify human ingenuity and enhance productivity."

119. Chevron Corporation, Annual Report 2025, p. 10: "One example is the development of an in-house generative AI platform, where massive amounts of subsurface data collected over nearly a century can be transformed into useful insights in just seconds, radically improving the speed and quality of exploration decision-making."

120. ICBC, Annual Report 2025, p. 14: "The "AI+" Action Plan was carried out, with AI digital employees handling the workloads of 55 thousand persons a year. We had the most monthly active users ("MAUs") of mobile banking in the industry and became the first financial institution to be certified for the highest level of the Financial Digital Transformation Maturity Model (FDMM) Assessment."

computing capacity tenfold in 2025,[121] whilst ASML observes “new and significant” AI-driven demand fuelling capacity increases across its entire customer base since the end of 2025. This massive, cross-sectoral deployment signals that AI is now being integrated not as an experiment, but as strategic infrastructure.

This force—poised to redistribute competitive positions between companies, sectors, and powers alike—is not, however, without its downsides. Annual reports do not conceal the risks: model hallucinations, biases in training datasets, and growing dependence on a concentrated pool of chip suppliers. Yet it is the energy dimension that crystallizes the most concrete concerns. ASML warns that if the industry fails to act, emissions from semiconductor production could increase fourfold by 2030 as a result of AI growth.[122] The rise of AI is thus exacerbating geopolitical competition for computing infrastructure whilst simultaneously weighing on the very climate commitments these same companies profess to uphold.

To the dual geography that currently structures the perception of geopolitical risk, a third dimension may therefore be added: the position occupied by each company in the emerging hierarchy of artificial intelligence. That hierarchy will not be neutral—it will follow, and amplify, the fault lines already at work between powers, between sectors, and between models of governance.

121. Aramco, Annual Report 2025, p. 9: “We also made significant progress in scaling our artificial intelligence capabilities, including several strategic investments and a major leap in computing capacity. In October, we signed a non-binding term sheet with the Public Investment Fund (PIF) to acquire a significant minority equity stake in HUMAIN, a PIF company, to unlock new value creation opportunities in the high-growth industrial AI sector. The proposed plan would unify certain AI assets, capabilities, and talent of PIF and Aramco to enable the rapid scaling of HUMAIN and its operations.”

122. ASML, Annual Report 2025, p. 10: “AI growth fuels concerns related to energy consumption by data centers. Global electricity supply is projected to grow over the next 10 years, but if we extrapolate the current data on energy demand from leadingedge AI models, that is not fast enough. To address this, there will need to be both more efficient AI models and improved semiconductors. If we do not act together as an industry, emissions from the production of semiconductors are forecast to increase by a factor of four by 2030. This is one of the key challenges ASML and the industry as a whole have to face, and with urgency.”

Appendices

	Technology	Finance & Banking	Energy & Industry	Pharmaceuticals
United States	Export controls effectively excluding US companies from the Chinese market; technological and regulatory decoupling; cyberattacks.	Preservation of American hegemony; use of OFAC sanctions as a central instrument; cyberattacks targeting payment infrastructures.	Asset expropriation and unilateral contract renegotiation; direct link between energy and geopolitics (Chevron, ExxonMobil); trade sanctions affecting oil demand.	BIOSECURE Act (Dec. 2025) prohibiting contracts with Chinese biotechnology companies; dependence on Asian active pharmaceutical ingredients; systemic pandemic risk reintegrated into strategic planning.
Europe	Technological sovereignty concerns and fears of a decoupled ecosystem; conflicts between European and American regulatory frameworks.	Threats posed by populism and protectionism to the rule of law.	Energy price volatility and supply chain disruptions.	Erosion of the rule of law and rising protectionism threatening intellectual property rights — a sine qua non condition for long-term R&D investment.
China	Threats to infrastructure modernisation from de-risking strategies; semiconductor restrictions.	Unilateralism and protectionism constraining growth; risk of exclusion from the SWIFT network.	Security of Belt and Road Initiative projects; i mport and export restrictions.	Target of BIOSECURE Act restrictions; pressure on partnerships with major American pharma companies; opportunity to develop biopharmaceutical R&D autonomy.
India	Beneficiary of value chain shifts away from China; large domestic market acting as a buffer against external shocks.	Sino-American tensions as an opportunity to attract investment flows; pursuit of dollar alternatives; multi-alignment strategy preserving access to Western capital markets.	Global energy recomposition as an opportunity for deep-tech transformation; dependence on Russian oil.	Expanding sector driven by domestic demand; India as the world's leading producer of generic drugs; exposure to US restrictions on Chinese APIs transiting through India.
Saudi Arabia	Dependence on technology imports; Vision 2030 accelerating partnerships with American and Asian players.	Security of oil flows as a systemic priority; risk of capital reallocation toward renewable energy; exposure to sanctions.	MENA instability, threats to the Strait of Hormuz and the Red Sea as major operational risks; 12 Mb/d production capacity as a global alternative supply option.	Structural dependence on pharmaceutical imports.

Table: Ifri • Created with Datawrapper

Top 100 companies by market capitalization

Rank	Company	Country	Sector	Market capitalization (Mds $)
1	Apple Inc.	USA	Technology	3 337
2	Microsoft Corporation	USA	Technology	2 791
3	NVIDIA Corporation	USA	Technology	2 644
4	Amazon.com, Inc.	USA	Consumption	2 016
5	Alphabet Inc.	USA	Communication	1 894
6	Saudi Arabian Oil Company	Saudi arabia	Energy	1 726
7	Meta Platforms, Inc.	USA	Communication	1 460
8	Berkshire Hathaway Inc	USA	Finance	1 149
9	Tesla, Inc.	USA	Consumption	834
10	Broadcom Inc.	USA	Technology	787
11	Eli Lilly and Company	USA	Health	742
12	Taiwan Semiconductor (TSMC)	Taïwan	Technology	709
13	Walmart Inc.	USA	Consumption	704
14	JPMorgan Chase & Co.	USA	Finance	686
15	Visa Inc.	USA	Finance	685
16	Tencent Holdings Limited	China	Communication	578
17	Exxon Mobil Corporation	USA	Energy	516
18	Mastercard Incorporated	USA	Finance	501
19	UnitedHealth Group Inc.	USA	Health	479
20	Costco Wholesale Corp.	USA	Consumption	420

Rank	Company	Country	Sector	Market capitalization (Mds $)
21	Johnson & Johnson	USA	Health	400
22	Procter & Gamble Company	USA	Consumption	400
23	Netflix, Inc.	USA	Communication	399
24	Oracle Corporation	USA	Technology	392
25	AbbVie Inc.	USA	Health	371
26	The Home Depot, Inc.	USA	Consumption	364
27	Industrial and Commercial Bank of China	China	Finance	318
28	Bank of America Corp.	USA	Finance	317
29	LVMH Moët Hennessy	France	Consumption	309
30	The Coca-Cola Company	USA	Consumption	308
31	SAP SE	Germany	Technology	308
32	T-Mobile US, Inc.	USA	Communication	305
33	Novo Nordisk A/S	Danemark	Health	302
34	Alibaba Group Holding Limited	China	Consumption	299
35	Chevron Corporation	USA	Energy	295
36	Hermès International	France	Consumption	273
37	Kweichow Moutai Co., Ltd.	China	Consumption	270
38	Roche Holding AG	Switzerland	Health	263
39	Nestlé S.A.	Switzerland	Consumption	260
40	Samsung Electronics Co., Ltd.	South Korea	Technology	258

Rank	Company	Country	Sector	Market capitalization (Mds $)
41	Salesforce, Inc.	USA	Technology	258
42	ASML Holding N.V.	Netherlands	Technology	258
43	Philip Morris International Inc.	USA	Consumption	247
44	Agricultural Bank of China	China	Finance	246
45	Cisco Systems, Inc.	USA	Technology	246
46	International Holding Company	UAE	Industry	239
47	China Mobile Limited	Hong Kong	Communication	235
48	Wells Fargo & Company	USA	Finance	234
49	IBM Corporation	USA	Technology	231
50	Abbott Laboratories	USA	Health	230
51	Toyota Motor Corporation	Japan	Consumption	228
52	Merck & Co., Inc.	USA	Health	227
53	AstraZeneca PLC	UK	Health	225
54	China Construction Bank Corp.	China	Finance	224
55	McDonald's Corporation	USA	Consumption	223
56	Shell plc	UK	Energy	221
57	Linde plc	UK	Industry	220
58	General Electric Company	USA	Industry	213
59	Bank of China Limited	China	Finance	213
60	Novartis AG	Switzerland	Health	210
61	PepsiCo, Inc.	USA	Consumption	206
62	AT&T Inc.	USA	Communication	203
63	PetroChina Company Limited	China	Energy	200

Rank	Company	Country	Sector	Market capitalization (Mds $)
64	HSBC Holdings plc	UK	Finance	199
65	L'Oréal S.A.	France	Consumption	198
66	Palantir Technologys Inc.	USA	Technology	198
67	Accenture plc	Ireland	Technology	195
68	Verizon Communications Inc.	USA	Communication	191
69	Reliance Industrys Limited	India	Energy	190
70	American Express Company	USA	Finance	189
71	Morgan Stanley	USA	Finance	188
72	Thermo Fisher Scientific Inc.	USA	Health	188
73	Deutsche Telekom AG	Germany	Communication	181
74	Siemens AG	Germany	Industry	179
75	The Walt Disney Company	USA	Communication	178
76	Intuitive Surgical, Inc.	USA	Health	177
77	Goldman Sachs Group, Inc.	USA	Finance	177
78	RTX Corporation	USA	Industry	177
79	Intuit Inc.	USA	Technology	172
80	QUALCOMM Incorporated	USA	Technology	170
81	Amgen Inc.	USA	Health	167
82	Advanced Micro Devices, Inc.	USA	Technology	166

Rank	Company	Country	Sector	Market capitalization (Mds $)
83	The Progressive Corporation	USA	Finance	166
84	PDD Holdings Inc.	Ireland	Consumption	164
85	ServiceNow, Inc.	USA	Technology	164
86	HDFC Bank Limited	India	Finance	164
87	Texas Instruments Inc.	USA	Technology	164
88	Adobe Inc.	USA	Technology	163
89	Royal Bank of Canada	Canada	Finance	159
90	Xiaomi Corporation	China	Technology	159
91	Caterpillar Inc.	USA	Industry	158
92	Commonwealth Bank of Australia	Australia	Finance	157
93	S&P Global Inc.	USA	Finance	156
94	BYD Company Limited	China	Consumption	155
95	Mitsubishi UFJ Financial Group	Japan	Finance	155
96	Inditex	Spain	Consumption	154
97	CATL	China	Industry	153
98	Tata Consultancy Services	India	Technology	153
99	Uber Technologys, Inc.	USA	Industry	152
100	Sony Group Corporation	Japan	Consumption	152

**as of March 31, 2025*

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