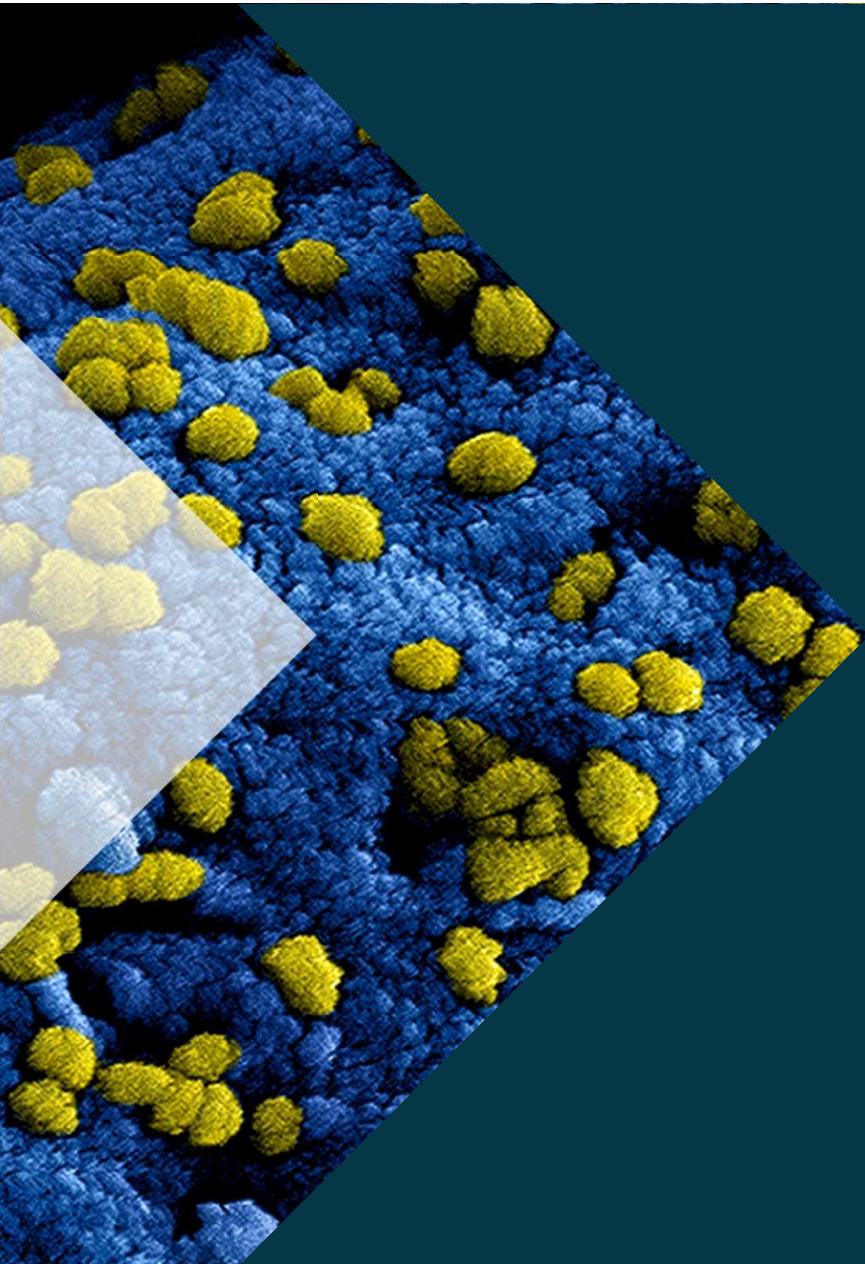


06 April 2020

COVID-19

Next steps for your business

Control Risks for ATA
Charles Hecker, Partner
Caroline Naumann, EMEA COVID Lead



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- ▶ **We are a specialist global risk consultancy that helps organisations manage risks, seize new opportunities, and resolve complex issues or crises.**
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► Background

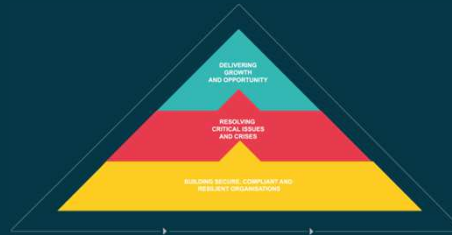
► +45 years of experience

► 39 offices

► Projects in more than
178 countries



► What we do



1

Building secure, compliant and resilient organisations

We enable senior executives to meet their duty of care and regulatory obligations by helping them to build organisations that operate securely, are truly compliant and have the resilience to manage the challenges of a rapidly changing global marketplace.

2

Resolving critical issues and crises

We ensure that the challenges faced by global organisations – such as major regulatory issues, litigation, acute security problems, reputational and other crises – can be managed and resolved effectively.

3

Delivering growth and opportunity

We provide the crucial intelligence and insight needed to identify and seize opportunities and support critical decision-making.

An aerial photograph of a multi-lane highway with a green median, viewed from a high angle. A semi-transparent hexagonal grid pattern is overlaid on the entire image. A diagonal white line runs from the top-left towards the center, separating the highway from a lighter, less detailed area. The text is positioned in the upper right quadrant.

Pandemic Scenarios

A structured, near-term view

A structured, near-term view

► Global scenarios (6-9 months)






Seasonal disruption	Prolonged disruption	Uneven rebound	Global rebound
<ul style="list-style-type: none"> ► Infections fall in China but accelerate outside China. Global pandemic peaks in May 2020. ► Disruption of production and supply chains remains significant in Q2; recovery starts late Q2/early Q3. ► Supply chains/transport links recover in Q4; 10-15% of supply chains permanently dislocated. ► Major events disrupted until containment achieved. ► Global growth slows significantly (0.5-1.0%) ► Security situation remains stable, law enforcement under pressure. ► Governments in Italy, Iran under pressure. 	<ul style="list-style-type: none"> ► Outside China, pandemic spreads widely and globally. Containment efforts mixed. ► Concerns arise of a second wave when quarantines ease. ► Movement of people across borders <i>de facto</i> suspended globally. ► Goods flow, but with major logistical challenges. By Q3 2020, majority of supply chains need repair. ► Global economy enters recession. ► Deteriorating security environment in some places. ► Acute political challenges increase as the economic effects of COVID-19 restrictions is felt by economies and societies. 	<ul style="list-style-type: none"> ► Developed markets bring pandemic under control; developing markets remain deep in crisis. ► Lockdowns relax, in stages, in developed markets. Mobility severely restricted elsewhere. ► Security situation worsens in developing markets; foreigners and foreign companies targeted. ► Global economy remains in recession; improvement forecast for Q4. ► On-shoring of supply chains brings political fragmentation and protectionism. Supply and demand markets fail to meet. ► Geopolitical consequences are significant; inter-state tensions rise. 	<ul style="list-style-type: none"> ► Pandemic brought broadly under control and/or WHO announces end of pandemic status. Vaccine is developed. ► Restrictions on movement of people and goods gradually relax globally. Supply chains, transport links are restored. ► Business operations resume gradually. ► Global GDP rebounds in Q4. Global growth averaging 4.4% forecast for 2021. ► Political risks remain elevated. Rivalry resumes and intensifies between the US and China; international cooperation is fraught. ► Security risks remain elevated until all economies resume growth and employment levels normalise.

Triggers monitoring






Likelihood							
Neutral	→	Likely	↗	Unlikely	↘	Met	✓

	Seasonal disruption	Prolonged disruption	Uneven rebound	Global recovery
<i>Cases</i>	New cases in China start to decline ↗ ✓	Uncontained global spread causes rapid increase in new cases in most regions ↗ ✓	New cases in developed countries start to decline ↘	New case count in China declines ↗ ✓
<i>Economy</i>	New cases outside China continue to increase ↗ ✓	Supply chain disruptions result in shortages of intermediate and final goods ↗ ✓	New cases in developing and emerging countries ex-China continue to increase ↗	New case count outside China declines ↘
<i>Supply chain</i>	Slow resumption of Chinese manufacturing ↗ ✓	Global economy forecast to enter recession in 2020 ↗ ✓	Significant supply chain disruption outside China ↗	Global resumption of manufacturing capacity →
<i>Economy</i>	Global growth forecast to slow significantly in 2020 (0.5-1.0%) ↗ ✓	Widespread restrictions on international travel ↗ ✓	Global economy forecast to enter recession in 2020 ↗ ✓	Q4 shows signs of GDP rebound. ↘
<i>Travel</i>	Major countries issue selective international travel restrictions ↗ ✓	Widespread restrictions on freedom of domestic movement ↗ ✓	Selective international travel restrictions ↘	Major international meetings and events resume ↘
<i>Politics</i>	Localised or regional restrictions on movement ↗ ✓	International and multilateral meetings postponed indefinitely ↗ ✓	Some international meetings and events take place in late 2020 ↘	Supply chains re-established, though may be shorter/more local →
<i>Security</i>	Major international meetings and events are delayed or cancelled through mid-2020 ↗ ✓	Crises of legitimacy puts governments under pressure; extraordinary policy/procedural measures ↗ ✓	Isolated deterioration of security →	Security situation stabilizes in most places →
<i>International relations</i>		Reduction of law enforcement capacity ↗ ✓	Increased political fragmentation and protectionist policies →	International cooperation remains fraught; some governments remain under intense domestic pressure ↘
			School calendar resumes in developed markets ↘	Effective therapeutics developed →
				Vaccine developed →

Government action summary

Region	Country/region					
South-East Asia	Brunei	30/1	30/1	17/3	13/3	10/3
	Cambodia	14/3	13/3	20/3	17/3	7/3
	Indonesia	5/2	10/3	30/1	3/3	14/3
	Laos	29/1		2/2	12/3	18/3
	Malaysia	27/1	4/2	18/3	18/3	18/3
	Myanmar	1/2	18/3	23/2	10/3	15/3
	Philippines	31/1	6/2	15/3	15/3	10/3
	Singapore	29/1	1/2		13/3	7/4
	Thailand	11/3	18/3	18/3	18/3	5/3
	Timor-Leste	8/2		17/3	26/3	24/3
	Vietnam	1/2	6/2	28/1	9/3	15/2
Australasia	Australia	1/2	15/3	1/4	16/3	23/3
	New Zealand	2/2	14/3	25/3	18/3	25/3
South Asia	Bangladesh	25/2	16/3	13/3	26/3	18/3
	Bhutan	6/3		23/3	31/3	6/3
	India	5/2	19/2	5/2	14/3	12/3
	Maldives	3/2	28/2	2/4	31/3	
	Nepal	29/1		14/3	31/3	19/3
	Sri Lanka	19/3	6/2		14/3	13/3

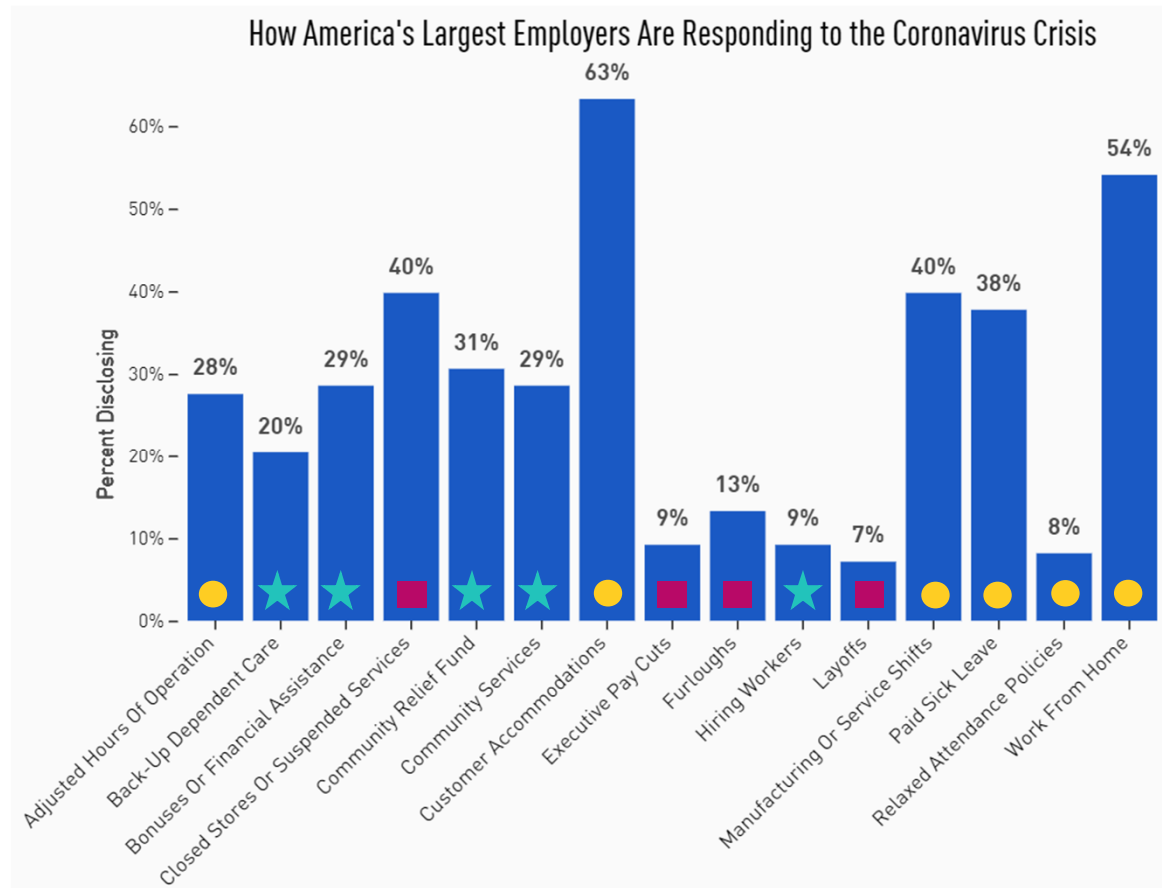
 Flight restrictions	 Port restrictions	 Transit restrictions	 Public gatherings	 School closures
Disruption (date):	None	Limited/localised	Significant/widespread	Severe/general

Region	Country/region					
North-east Asia	Mainland China	23/1	23/1	23/1	23/1	26/1
	Hong Kong SAR	3/2	3/2	3/2	21/3	25/2
	Macao SAR	4/2	4/2	18/3	19/3	30/1
	Taiwan	26/1	6/2		4/2	19/3
	Japan	1/2	5/3		21/2	1/3
	North Korea	21/1		21/1	26/2	27/2
	South Korea	2/2	10/2		21/2	2/3
Pacific	Cook Islands	16/3	3/3		25/3	25/3
	Fiji	27/2	16/3		16/3	19/3
	Fr. Polynesia	5/2	16/3		27/3	19/3
	Kiribati	31/1	17/3			30/3
	Marshall Islands	24/1	31/1			
	Micronesia	31/1	31/1			18/3
	Nauru	3/3			21/3	
	New Caledonia	19/3	19/3		31/3	19/3
	Niue	3/2				
	Palau	28/1	19/3		30/3	23/3
	Papua New Guinea	29/1	16/3	23/3	30/3	23/3
	Samoa	21/2	21/2	20/3	21/3	20/3



**What your business should be
focusing on now**

► How businesses are responding to COVID-19



All operators in the natural energy sector are impacted - manufacturers, developers, constructors, network operators, administrative services, ecologists, consulting firms, etc.

While each company has its own **unique ecosystem** of stakeholders, business practices, supply chains, and financial needs, there are **trends** in what actions are being taken.

● Neutral ■ Reputationally positive ★ Reputationally negative

► Best crisis management practices for short and mid-term



► The next steps: Looking forward

Return to work

- It won't all happen at once
- Triggers and protocols
- Monitoring ongoing compliance and government rules
- Reconciling your own risk assessments with government advice
- Managing international travel



Changing threat environments

- Early signs of security deterioration in some parts of the world
- Possible rapid breakdown of already fragile cities, economics and society
- Varying degrees of government, health and security services to respond
- Foreign assets and people will be targeted in some places
- Uneven recovery across developed vs developing nations.

Eye towards recovery

- Recovery will include parts of business that you aren't dealing with now
- Legal: Expect increase in fraud, conflicts of interest and disputes
- Operational: Restructuring supply chains – challenges and opportunities
- Opportunities for new market entry
- Incorporating lessons from China and similar countries



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