Ethisphere and Control Risks: COVID-19
What does it mean for your business and how should you respond?

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• Today’s presentation and recording will be provided via email after the webcast

• BELA members can access the materials directly on the BELA Member Hub

• Please submit questions via the chat function on your zoom drop down
Your speakers today

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Agenda

- Situational update
- Good crisis management in the midst of an outbreak
- Current observations and analysis
- Q&A
Global snapshot

~4,000 Total deaths

~127,000 Total confirmed cases

125 Countries and territories affected

* Numbers as of 12 March 2020
US snapshot

37 Total deaths

1000+ Total confirmed cases

- Cases in 42 states
- Ban on flights from Europe for 30 days
- Twelve states (WA, CA, NY, FL, UT, CO, NC, MI, MA, AZ, KY, MD, DC) have declared a state of emergency
- $8.3bn in federal emergency funding to fight the outbreak, more economic relief due to come
- Event cancellations are increasing and likely to accelerate
Good crisis management in the midst of an outbreak
The reality today

- If you haven’t already activated your crisis management teams, established your information needs and dusted off your plans – you are behind the curve!

- The time to engage in standard readiness activities has passed. You should now be engaged in response activities, with an established cadence of meetings to review and assess the latest information, make decisions for your business, then follow through with action and communication.

- At this stage, companies should be planning around specific scenarios with defined triggers and escalation points to ensure a measured approach to decision-making, rather than just reacting out of fear or trying to “figure it out when it happens.”

- Following government directives is necessary but not sufficient – companies need to go beyond mere compliance to protect their people and limit business impacts, and to be seen as good corporate citizens.

But remember: There are no cut-and-dry answers to any of these questions, and decisions and actions need to be reassessed and communicated daily.
What we’re seeing globally

- A global business interruption on an unprecedented scale
- Fighting the “info-demic”
- Concerns about companies’ 2020 budgets
- No one is immune from reputational damage
- Headquarters versus local markets
What companies should focus on now – **strategic** level

- **Fight the “info-demic”**
- **Crisis and business continuity planning**
  - including crisis communications
- **Ensure compliance**
- **Demonstrate duty-of-care**
  - for employees and surrounding community
What companies should focus on now – tactical and operational

**Operational**
- Banning non-essential travel and leveraging virtual technologies for meetings
- Triggers and considerations for implementing remote working
- Implementing quarantine and “self-isolation” protocols based on potential exposures
- Prohibiting or limiting visitors
- “All-office” testing of ability to work remotely
- Closing offices/sites and mandating work from home protocols
- Stakeholder communications planning and delivery
- HR policies
- Cancelling/changing large-scale events

**Tactical**
- Health and hygiene protocols
- Protocols for suspected/actual case and quarantine
- Splitting critical functions among different locations and/or changing work shifts
Focus on **Recovery**

No matter how it feels now, you *will* get through this!

Recovery is not just about getting operations up and people back in the office.

Your planning should include criteria to guide a return to business as usual – and transition plans to get there.
Considerations for legal and compliance functions

**Practical issues**

- Ensure that you have **reliable, accurate and actionable information**
- Review **existing policies and procedures for travel and employee safety**, and update/refresh communications as needed across multiple platforms and all languages
- Prepare for **potential logistical challenges** that may impact basic compliance functions (e.g., audit schedules and monitoring, reporting and investigations, training)
- Continue **compliance-related due diligence**, but prepare for delays and longer timeframes
- Consider **impacts to M&A activity** due to limited access to data and/or key personnel involved in transactions
- Plan for **increased hotline and issue escalation** activity
- Some clients are struggling with **IT and internal communications challenges** as the workforce becomes more remote
- Front line personnel may need **impromptu training** on how to handle various risk scenarios
Considerations for legal and compliance functions

Potential legal risks*

- Remain mindful of data privacy laws, and be vigilant around cyber security risk; rapid flow of information, reduced physical presence and urgency all contribute to greater risk.
- Threats to sales and performance targets and loss of contract value combined with compromised controls environments could lead to increased fraud, abuse and bribery risk.
- Review contract language for potential performance triggers, termination triggers and breach areas; note that payment terms may be tested in both directions.
- Communicate aggressively but carefully and ensure messaging is consistent, as it may impact later risk reporting in public filings; centralize internal and external communication sources as much as possible.
- Document incidents, your response and risk mitigation activity for potential insurance and/or legal claims, to satisfy regulatory requirements and to protect management and the board.

*Control Risks does not offer legal advice, and none of the statements herein should be construed or treated as such. Control Risks highly recommends seeking the advice of qualified counsel regarding specific issues involving legal liability or risk. We work with many of the AMLAW 100 law firms and can recommend attorneys if needed.
How Control Risks is helping our clients

**Readiness**
- Detailed scenario planning
- Alignment of existing crisis management and business continuity structures
- Immediate and on-call advisory, gap analysis and pandemic preparedness
- Recommendations for realistic crisis management exercises with focus on longer-term business impacts
- Risk-based assessments of global supply chain disruption implications
- Stakeholder maps to forecast needs and repercussions for clients, suppliers and personnel
- Expert monitoring services

**Response**
- Support for critical decision-making
- Crisis management and business continuity advisory
- Hands-on expert guidance
- Global information hubs, fusion centers and dashboards for core teams and leadership
- Continued expert situation monitoring with recovery focus
- Staffing surge support for internal threat monitoring, crisis management, business continuity and security teams

**Recovery**
- The ultimate focus of our readiness and response solutions
- Answering critical questions and implementing strategies
- Supply chain recovery
- Support for legal, procurement and compliance obligations on supply chain disruption
Contact us

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Note: A copy of the presentation, webcast recording and other COVID-19 related resources will be sent via email by tomorrow