RISK INSIGHT – COVID-19

A week of travel in Geneva and London has woken me up to just how seriously people in Europe are taking Covid-19. It is not clear how seriously businesses in South Africa are taking this issue, but if they aren't, they should be.

In terms of physical risk, this is one of the classic risks where the likelihood of it hitting any individual sitting in his or her office or at home is low, but every time that individual increases his potential exposure to it the higher the probability of contracting the virus.

In terms of impact, we know that there is a relatively high recovery rate, but a 4% mortality rate is not to be sneezed at, if you'll pardon the pun. Put another way, if 100 work colleagues were to be infected, would management be willing to see four of them die? I hope not.

The potential impact, however, is far wider than individuals getting ill and possibly expiring. It extends to whole businesses shutting down and the wider economy being affected.

Imagine for example that a colleague travels cross-border, not even necessarily to a high-risk area. The colleague passed through Dubai or Heathrow airport, comes in contact with someone carrying some sort of virus, perhaps THE virus, and returns to the office with flu-like symptoms. What does management do? Send the individual to the hospital for tests, or send everyone home, or nothing?

On Wednesday 26th February, Chevron in Canary Wharf sent 300 staff home in just those circumstances. The company was shut down, at least in London.

Every business needs to consider its positions and mitigation steps on various scenarios.

By way of example, a few things I have experienced or of which I have become aware during my travels include:

- Many companies have stopped all non-essential travel. Some have stopped all travel whatsoever, period.
- One London client has refused to see me simply because I have been traveling, despite asking me 6 weeks ago to call in on them. I gather that this is the stance that has been adopted by several companies in London.
- An international client of mine who was due to come to SA for a series of meetings the week after next has cancelled the trip and all physical meetings until further notice.
- Every office I have been into anywhere has an alcohol-based hand cleaner at its Reception desk. Some offices have installed dispensers throughout.
- I gather that you aren't allowed into Singapore airport unless *inter alia* you have cleaned your hands with the hand-cleaner provided.

- Every time I shake someone's hand, push an elevator button or otherwise have contact with people on public transport I become more paranoid and more OCD about needing to avoid touching anything.

In short, it could be a serious mistake to ignore this.

Although (in my limited view) the numbers of infections are still miniscule compared to common infuenza which sweeps the world annually, the mortality rate is high in some areas, particularly amongst people in the >55 age bracket. The wider potential impact is huge, as we are seeing in the markets, especially with imports and exports from affected areas.

So some of the questions I have are:

- Should businesses be more particular about who visits them in their offices? If so, how do they determine a profile of who may not visit them. Simply restricting people who have come from high-risk areas may not be the answer: many travellers from low-risk areas have passed through busy airports and may have put themselves at risk.

- Should businesses be restricting *all* cross-border travel whatsoever other than whatever is absolutely unavoidable?

- How does one respond to a Chevron-type scenario? Are businesses willing to send all their staff home. If so, for how long and what will be the impact on the business? For example, is the office VPN connection capable of supporting several hundred people working from home?

- Are businesses willing for even one of their staff to get ill and to risk losing that staff member? In this context:

  o Do companies have any responsibility to try and keep staff members well, or should they just focus on trying to prevent their businesses from being disrupted? As it happens, the Occupational Health and Safety Act places an obligation on employers to ensure the health and safety of their staff. Employers therefore cannot be passive in the face of the corona crisis: they have to be proactive.

  o Put another way, how would a company's management feel (and be legally treated) if one or more staff members were to contract Covid-19 and died if more could or should have done to prevent that? I can see the possibility of huge dependants' claims against lax employers.

  o How would management feel if it allowed a traveling staff member to return from a trip and infect others in the office?

- Should staff who travel self-quarantine on their return from wherever they have been? If so, in what circumstances?

I know that the media are making a big thing of this and one must be careful not to get into scare-mongering mode, but I believe it is incumbent on management of every company to focus closely

on this issue, even whilst it is still far away from Africa, agree on what policies to adopt, make some prompt decisions and then implement mitigation measures against probability and impact.

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