

Dentons Flashpoint

Daily Global Situation Report

February 28, 2022

Global Situation Update: February 28, 2022

KEY TAKEAWAYS

Russia puts nuclear forces on alert.

Western-aligned countries impose crippling sanctions on Russia's banks.

International air transportation disrupted by closing of airspace to Russian aviation and Russian retaliation.

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

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WHAT WE'RE WATCHING

A so-called referendum held in Belarus yesterday grants President Lukashenko immunity from prosecution and changes presidential term limits so that he can run again in 2025 and 2030. Belarusian nationals who have left Belarus in the past 20 years, like exiled presidential candidate Svetlana Tsikhanouskaya, who claims to have won the 2020 election, are now barred from running.

The referendum was held amid an outbreak of anti-war protests in Minsk and, most concerning, voted to renounce Belarus' non-nuclear status. The country is a launch pad for Russian troops invading Ukraine and now could see nuclear weapons on Belarusian soil for the first time since the fall of the Soviet Union.



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Global

Russian forces continue to press its offensive on Kyiv, with civilian casualties rising. NATO countries respond with pledges of sending weapons, humanitarian aid and imposing crippling banking sanctions.

- President Putin escalates by putting “defensive” **nuclear forces on alert**.
- Delegations from Ukraine and Russia will meet today to discuss a **ceasefire** and withdrawal of Russian troops.
- The EU, UK and Canada **close airspace** to Russian aviation and urge their citizens to depart Russia after Russia retaliates in kind.
- Today, the **UN General Assembly** will convene in a rare emergency session on Russia's invasion of Ukraine, as western allies step up a diplomatic campaign to isolate Moscow.
- The **impact of sanctions** and international condemnation cascade through businesses, civil society and sports. Football's governing body FIFA announce no international soccer matches will be played in Russia. President Putin was suspended as honorary president of the International Judo Federation. The annual Mobile World Congress which opens today in Barcelona banned the Russian pavilion.

Markets & Business

The US, EU, UK, Japan, South Korea and Canada begin cutting Russian banks out of the SWIFT international payments system, restricting Russia's ability to handle financial transactions for imports and exports.

- **Crude oil** jumped sending Brent crude futures over \$100, while the rouble plunged nearly 30 percent to a record low today after Western nations imposed tough new sanctions on Russia for its invasion of Ukraine.
- Russia's state communications regulator has demanded that access to Russian media's YouTube channels be restored by **Google** on Ukrainian territory.
- **Meta** removed more than 40 accounts, pages and groups on the social media group's platforms as well as photo platform Instagram disseminating pro-Moscow disinformation on the Ukraine war.
- **Russia's central bank** sharply raised its key policy rate to 20 percent and has ordered market players to reject foreign clients' bids to sell Russian securities, starting today.
- In response to a Ukrainian government Twitter plea, Elon Musk deployed **SpaceX's** Starlink Internet satellites over Ukraine. Starlink satellites are able to provide broadband Internet connections from space without the need for fibre-optic cables on Earth.

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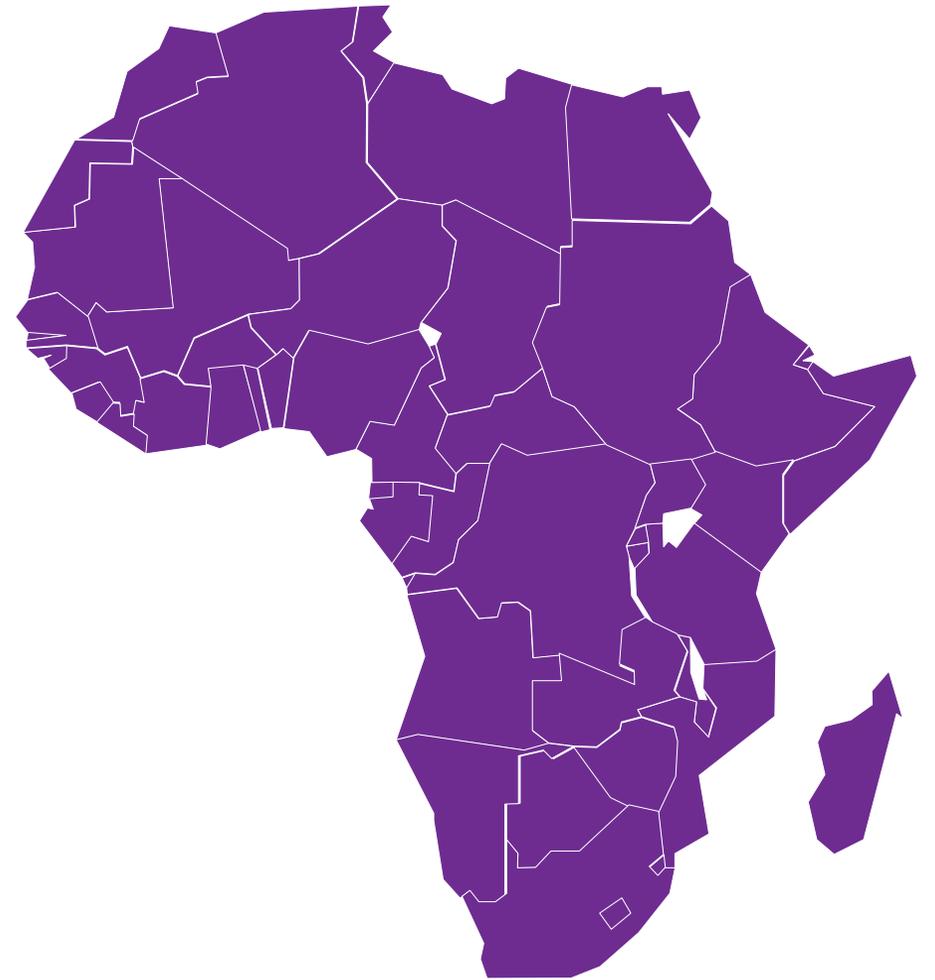
Environment, Sustainability & Governance

The UN Environment Assembly opens today in Kenya's capital Nairobi and is expected to propose an international framework to address the growing problem of plastic waste in the world's oceans, rivers and landscape.

- Tens of thousands of people were ordered to evacuate as heavy rains smashed Australia's east coast today, submerging towns and stranding residents on rooftops, in what is being called a **weather bomb**. Australia's east coast summer has been dominated by the La Nina climate pattern, which is typically associated with greater rainfall, for the second straight year.
- China, the world's biggest **coal burner and greenhouse gas emitter**, used 5.24 billion tons of standard coal equivalent of energy last year, up 5.2 percent from 2020, the Chinese National Bureau of Statistics reported.

Africa

- The US barred travel by **Somali** officials and other individuals to the US, accusing them of "undermining the democratic process" in Somalia.
- **Algeria**, one of the world's biggest importers of wheat, said on Saturday that the crisis in Ukraine will not impact its imports.
- **Eritrean** refugees sheltering in the Bahrale refugee camp in the northeastern Afar region of **Ethiopia** sustained what survivors described as a brazen assault by rebels from neighboring Tigray.



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Asia

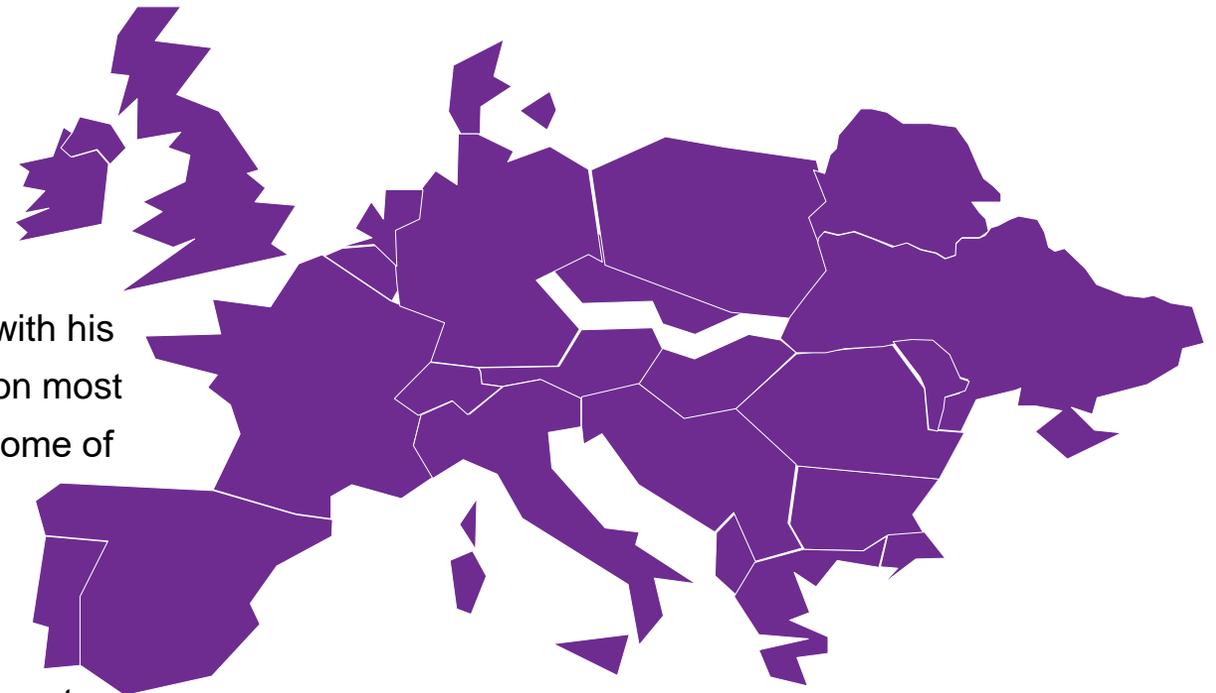
- **North Korea** fired a suspected ballistic missile toward the sea off its east coast in the first test since the barrages in January.
- A **US** warship sailed through the sensitive **Taiwan** Strait over the weekend, part of what the US military calls routine activity which **China** described as "*provocative*."
- **Hong Kong** continues to report record high daily new COVID-19 infections. Facilities for storing dead bodies at hospitals and public mortuaries are struggling to keep pace with a record number of deaths, eclipsing authorities attempts to control a deepening outbreak.
- **Japan** is working closely with G7 nations to ensure effective economic sanctions against **Russia** and its central bank. **Singapore** will impose "*appropriate sanctions and restrictions*" on Russia. **South Korea** will tighten export controls against Russia by banning shipments of strategic items and join Western countries' moves to block some Russian banks from the SWIFT international payments system.



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Europe

- **Russian** President Putin will chair an emergency meeting today with his economic advisers on how to offset the **US, UK and EU** freezes on most of the central bank's foreign currency reserves and exclusion of some of Russia's banks from the SWIFT payments messaging system.
- On Sunday, police arrested over 800 protesters in **Belarus** as thousands took to the streets opposing adoption of a new constitution that drops its non-nuclear status at a time when the country has become a launchpad for **Russian** troops invading Ukraine. Russia could now deploy nuclear weapons on Belarusian soil for the first time since the country gave them up after the fall of the Soviet Union.
- NATO member **Turkey** has call **Russia's** assault on Ukraine a "war" and pledged to implement articles of the 1936 Montreux Convention that would potentially limit the transit of Russian warships from the Mediterranean to the Black Sea. The **UK** government is considering restricting Russian ships from using British ports.
- In response to **Ukraine** President Zelenskyy's call to immediately grant the country **EU** membership, EU leaders gave mixed responses, indicating it would be discussed, while European Commission President Ursula von der Leyen in an interview gave no indication it would be a rapid accession.



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How do You Manage Incident Response?

2021 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

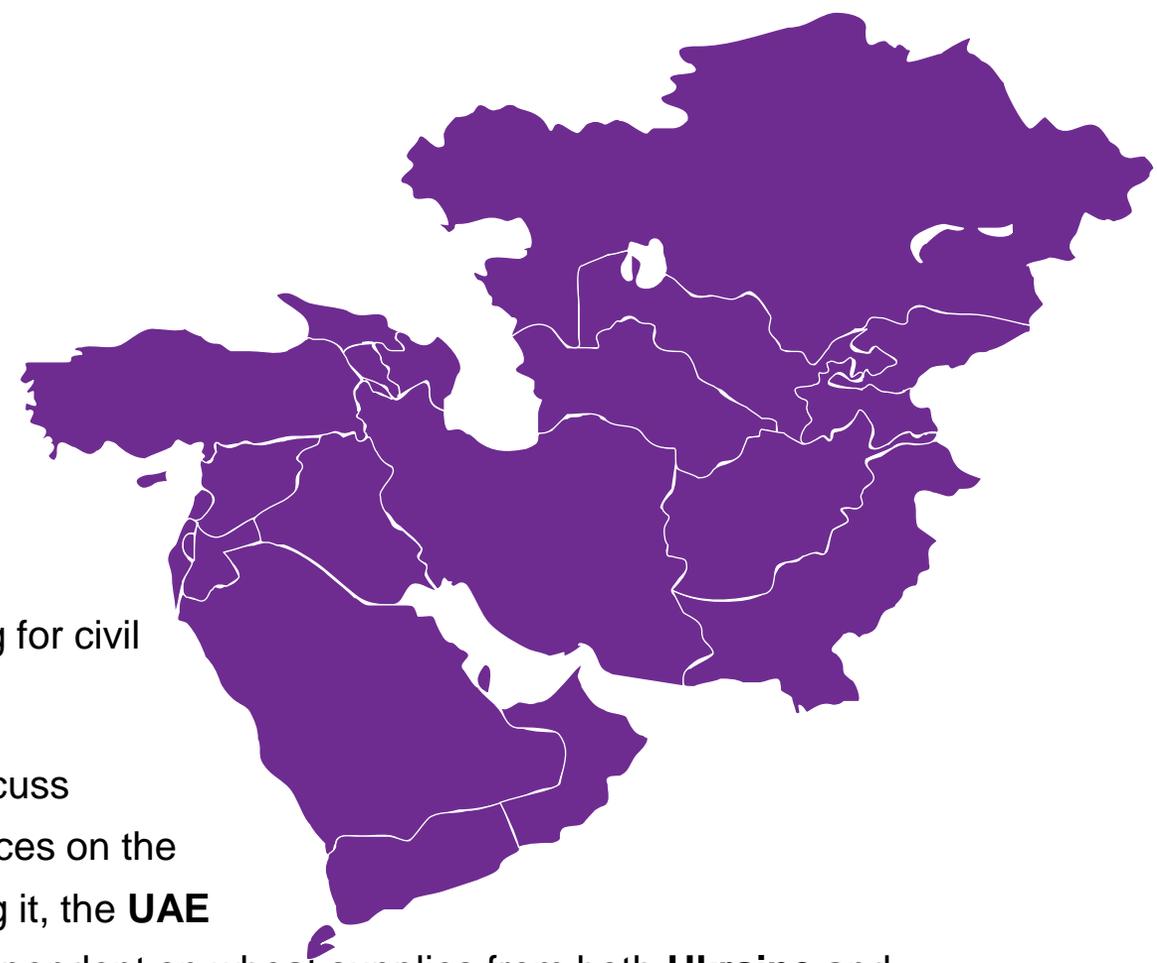
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Middle East

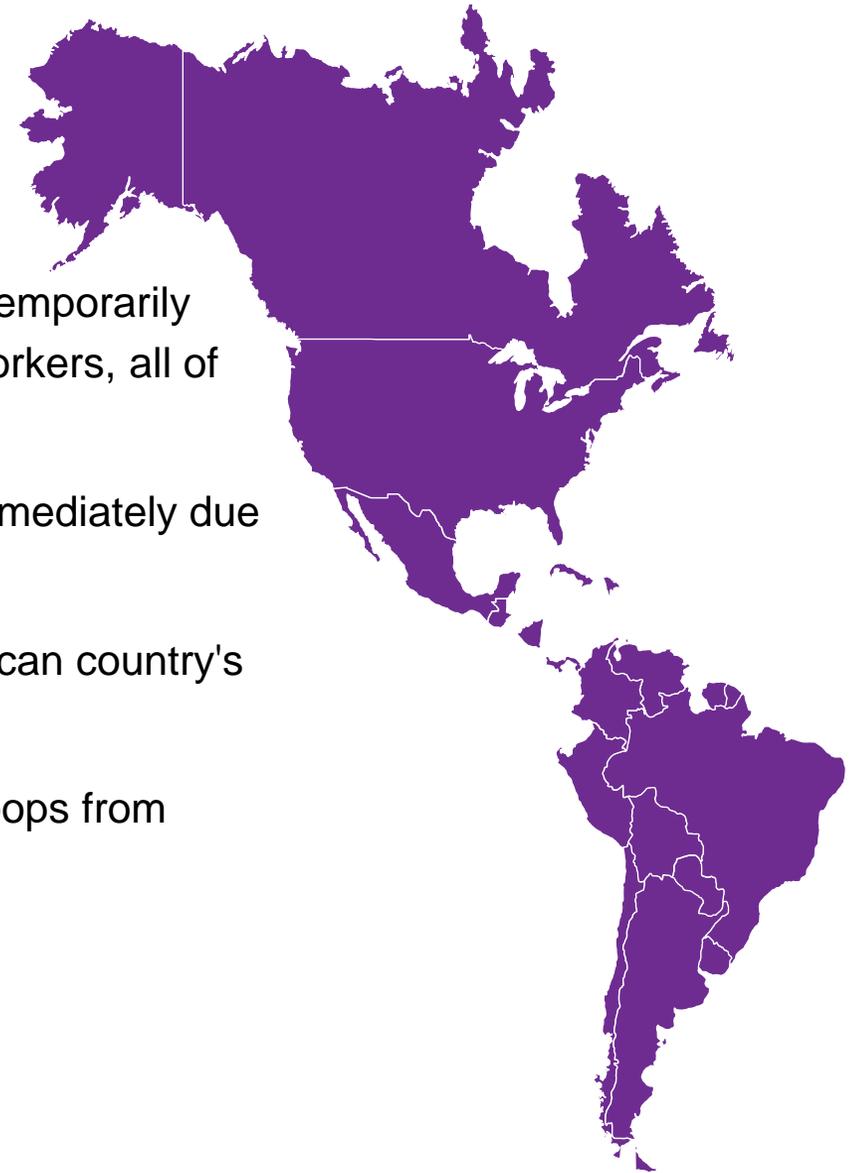


- Saudi Aramco has discovered new natural gas fields in four regions of the kingdom. **Saudi** Crown Prince Mohammed bin Salman told **French** President Macron that Saudi Arabia remains committed to the OPEC+ agreement with **Russia**.
- **Tunisia's** President Kais Saied said he will outlaw foreign funding for civil society organizations as he consolidates one-man rule.
- The Arab League will meet today in an emergency session to discuss developments in Ukraine. **Arab states** have taken diverging stances on the **Russian** invasion, with **Syria** supporting it, **Lebanon** condemning it, the **UAE** declining to take sides. A number of Arab countries are heavily dependent on wheat supplies from both **Ukraine** and Russia, and any shortages of the staple grain have potential to stir unrest.
- Over the weekend, **Yemeni** coalition forces destroyed two explosives-laden boats launched by the **Iran**-backed Houthi militia at a target near the country's northwestern region on the Red Sea.

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Americas

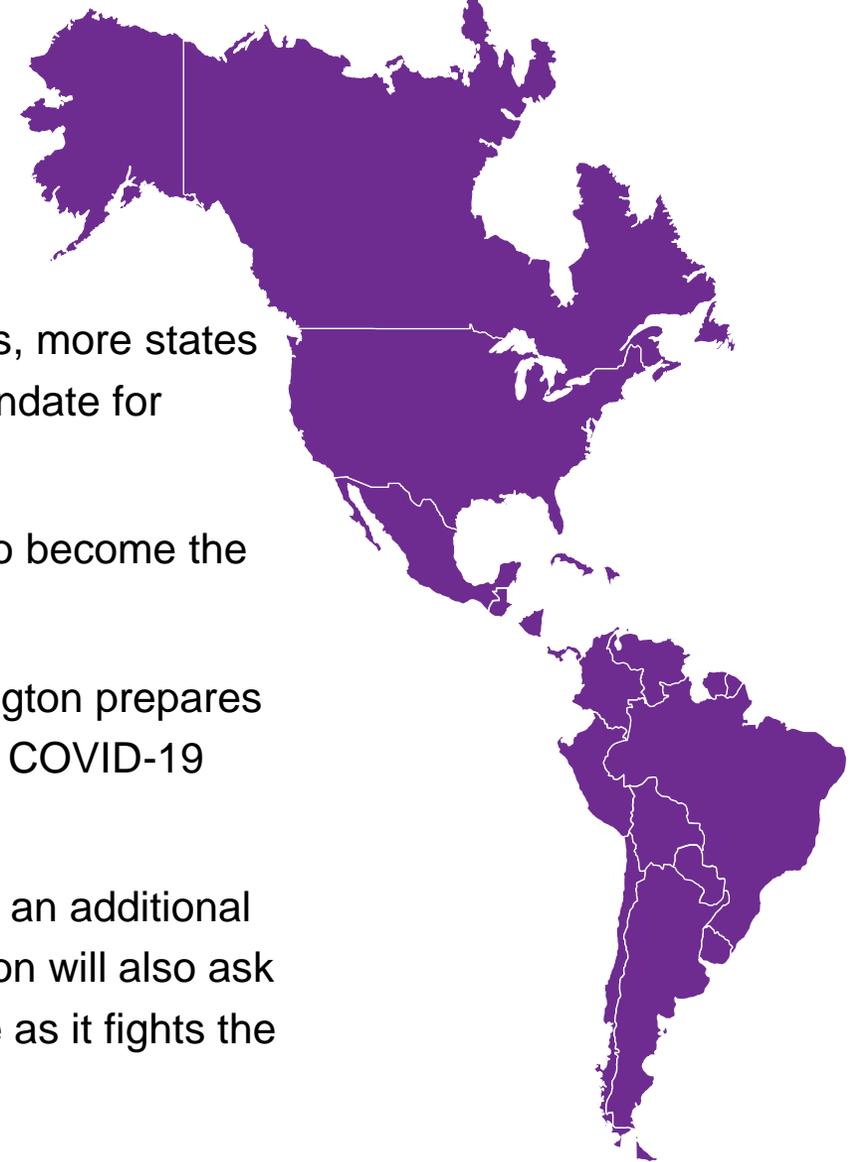
- One of the largest breadcrmakers in the world, Mexican Grupo Bimbo has temporarily suspended operations in its Dnipro plant to ensure the safety of its 150 workers, all of whom are **Ukrainians**, citing the ongoing crisis with **Russia**.
- **Canada** has closed its airspace to **Russian** aircraft operators effective immediately due to Russia's invasion of **Ukraine**.
- **Guatemala** President Giammattei ordered the return of the Central American country's ambassador to **Russia**, in response to Russia's actions in Ukraine.
- **Colombia, Argentina and Chile** called for swift withdrawal of Russian troops from Ukraine. **Mexico, Peru and Paraguay** called for dialogue.



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Americas: US

- With the new CDC guidance easing requirements for wearing masks indoors, more states are lifting **mask mandates** for schools. New York state will end its mask mandate for schools and childcare facilities on Wednesday.
- President Biden nominated federal appellate judge Ketanji Brown Jackson to become the first Black woman to serve on the **US Supreme Court**.
- Federal authorities are reinstalling fencing around the US Capitol as Washington prepares for planned **trucker protests** inspired by demonstrations in Canada against COVID-19 pandemic-related restrictions on Tuesday.
- On Friday, President Biden instructed the State Department to release up to an additional \$350 million worth of weapons from US stocks to **Ukraine**. The Administration will also ask Congress for \$6.4 billion dollars in economic and military aid to help Ukraine as it fights the Russian invasion.



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Ukraine Crisis Update: Parley, Sanctions, Nuclear Threats

Today, delegations from the Ukraine and Russia meet on the border between Ukraine and Russia to discuss a ceasefire. The parley comes after a weekend of dramatic developments.

Sanctions

The US, EU, UK, Canada and Japan have imposed punitive sanctions on Russia to force Russian President Putin to end aggression against Ukraine and withdraw forces. In what is being called “shock and awe” sanctions, these measures target Russian banks, state-owned enterprises and Russian political and business leaders. The sanctions are precedent setting: this is the first time sanctions have been imposed on a G20 central bank and G20 leader. The impact of the sanctions on the Russian central bank will shock the Russian economy to its foundations. The immediate impact is that Moscow will lose access to significant foreign reserves that were designed to be buffers to protect the economy in the event of western sanctions. These sanctions will have dire consequences for the ruble, inflation, and just about all other Russian economic indicators. The Russian central bank is already responding, raising its main rate from 9.5 to 20 percent and has ordered market players to reject foreign clients' bids to sell Russian securities, starting today. There is a run on Russian banks as panicked citizens have used

ATMs to access cash amid fears of shortages.

Western businesses will need to unwind their operations with sanctioned entities, with announcements already filing in. BP is abandoning its 19.75 percent stake in Russian oil giant Rosneft. Norwegian oil and gas producer Equinor is exiting its joint ventures in Russia and will stop new investments there. Germany's Daimler Truck is terminating its partnership with Russian vehicle manufacturer Kamaz. Norway's \$1.3 trillion sovereign wealth fund, the world's largest, will divest its Russian assets. Deutsche Börse, Germany's largest stock exchange operator, suspended trading today in 16 Russian securities including Aeroflot, Rosneft, Sberbank, VTB and Gazprom.

Moscow has threatened to seize funds of foreigners and foreign companies in Russia, with suggestions it might nationalize the assets of companies registered in the US, EU and other "unfriendly jurisdictions."

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Ukraine Crisis Update: Parley, Sanctions, Nuclear Threats

Europe is shutting down its airspace to Russian aviation, with the UK and EU sealing off their skies. This zone of exclusion is likely to expand, making it increasingly difficult for foreigners in Russia to execute orderly departures. Canada has also closed its airspace and the US is reportedly discussing doing the same. The US, UK and some EU countries are advising their citizens to depart Russia because of growing travel disruptions. It is also disrupting air travel globally, putting the “great circle route” over northern Russia and into parts of Asia in a no fly zone for many carriers trying to service destinations to China and Japan. These route disruptions will also impact air cargo, adding to transportation costs and supply chain disruptions.

Military Developments

While Russia’s military forces have been slowed by the Ukrainian military, Kyiv remains outgunned. Russia is reportedly sending in reinforcements. Irregular forces from Chechnya have deployed to the Donbass as have Wagner Group forces (redeployed from Mali and Libya). These irregular forces specialize in urban warfare. Russia is making claims that it has achieved air dominance over Ukraine. This claim has not been confirmed.

NATO agreed at a crisis meeting of the leaders of the military alliance’s 30 countries on Friday to increase troop deployments in member states close to Ukraine and Russia to defend against any potential spillover effects from the war. Western governments, in a one-minute past midnight scenario, are pledging new supplies of military equipment. Because Ukrainian skies remain contested, resupply by NATO presents high risks of escalation should NATO forces come under attack by Russia when resupplying Ukrainian forces. Miscalculation or purposeful provocation could lead to unplanned escalation. In a positive development, delegations from the Ukraine and Russia are meeting today to discuss a ceasefire.

Cyber Risks

The cyber domain is a theatre of high risk spillover to NATO and EU countries. The US is reportedly prepared to deploy American cyberweapons on a scale never before contemplated. Among the options: disrupting internet connectivity across Russia, shutting off electric power, and tampering with railroad switches to hamper Russia’s ability to resupply its forces. At least one cybercriminal group has posted a notice on the dark web announcing that it will provide full support to the Russian government if Russia is attacked

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Ukraine Crisis Update: Parley, Sanctions, Nuclear Threats

by NATO, the EU or other groups. With so many potential actors, the cyber domain presents high risks to critical infrastructure across the region.

Info War

The information war is in full swing, resulting in widely divergent understanding of “facts” in Russia, Belarus and Europe. Russian state-controlled media initially advanced a narrative that there is no war, just a special military operation in Eastern Ukraine at the invitation of Russian speaking people seeking Moscow’s help. That messaging has begun to shift to countering Ukrainian reports of successful resistance. Russia has narrowed the reach of some social media platforms (Facebook and Twitter) but has not shut all channels. Four nights of anti-war protests, small in scale, but growing, demonstrate that news through social media and word of mouth is circulating, challenging the Kremlin’s narrative. In Europe, the EU has moved to ban Russia Today (RT) and Sputnik. The UK is debating a ban.

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The Future of Work: Post-Omicron, the Return to Office is Back

By Anni Coonan

Corporate offices have endured fits and starts over the last several months, as already long-delayed return to office (RTO) plans were canceled once again due to the rising threat of the Omicron variant.

Now, many large employers are pushing ahead with RTO plans at long last: over the last month, Chevron, JPMorgan Chase, and Goldman Sachs began requiring at least part-time in-office work, and more returns are on the horizon. American Express, Meta, Microsoft, Citigroup, and the Washington Post are encouraging workers to begin returning to the office in March, and companies including the New York Times' parent company and Ford Motors are implementing flexible hybrid solutions from April. Office security firm Kastle Systems reports that in 10 major cities, office occupancy rates were at 31 percent of pre-COVID levels at the end of February, up from 23 percent at the beginning of January but down from 40 percent in early December, a pandemic high. While several RTO dates have come and gone in the last two years, moves toward a higher social risk tolerance for COVID-19 suggests that this round is more likely to stick.

The Future is Hybrid

While corporate employers are clearly eager for a return to office, most companies are, at this point, calling for a flexible, hybrid approach. Employees, who have become accustomed to two years of remote work, are often reluctant to dive back into full-time office work (including commutes and other inconveniences). In order to ease back in and incentivize RTO, companies have taken myriad approaches: at Meta, employees have two weeks to make RTO plans with their supervisors, opting to either come into the office on a hybrid schedule (with a booster) or request either temporary or permanent permission to work from home full time. BNY Mellon has taken among the most liberal approaches of its peers in the financial industry, asking workers to settle on a hybrid schedule with their teams. Some companies are implementing quarterly "sync weeks,"

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The Future of Work: Post-Omicron, the Return to Office is Back

wherein all employees are required to be in-office, to ensure that employees are able to gather without fully changing WFH routines. Other companies are implementing incentives to push for RTO, from the practical (Jefferies, an investment bank, sent its employees 20 rapid antigen tests each) to the recreational, like frequent happy hours or kitchens stocked with snacks (this week, Google reopened amenities including massage facilities and free catering). Left unsaid by many businesses is whether the hybrid approach is meant as the future of work or as an intermediary step towards full-time office work.

While some industries, such as the financial sector, have long pushed for a full-time return to office work, most employers will likely find that a hybrid approach is necessary to attract to future employees. A survey of clients last year by workplace messaging system Slack found that of 9,000 surveyed workers in six countries, 71 percent preferred working from home, and a survey in December of last year by Pew Research Center found that most employees that are working from home now are doing so by choice, not because their workplaces are closed. The adoption of hybrid approaches and profusion of RTO perks reflects the understanding that the corporate

workforce mindset has shifted to prefer WFH as an option, and that workers will require incentives or flexibility for a seamless RTO.

Living with COVID-19

The push for more concrete RTO plans across sectors reflects a broader shift in the US towards living with the virus, rather than waiting for it to be over. Even amid the Omicron surge, travel and other indoor activities did not dip as much as in previous surges, demonstrating a society with a developing high risk threshold for the coronavirus. Especially as the Omicron variant was less severe, business, government entities, and individuals are increasingly transitioning to a risk-management strategy that treats coronavirus as endemic, rather than waiting for eradication. As businesses plan RTO strategies, the CDC is planning to loosen mask guidelines and several major cities are planning on dropping their indoor mask mandates. Of course, there is no guarantee that the US will not see a novel COVID-19 variant that causes another major surge and further disruptions to work life. Companies from Google to DocuSign to Lyft felt equally optimistic about December and January RTO plans that were quickly scuttled by the Omicron wave, and relatively

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The Future of Work: Post-Omicron, the Return to Office is Back

low levels of global vaccination mean that the virus will continue to circulate and develop new mutations. However, the highly transmissible and relatively mild nature of the Omicron variant has led many scientists to posit that future variants will be less likely to out-compete Omicron. Even if coronavirus becomes less deadly, high case rates are alarming, and business may have to plan for cyclical office cycles based on the last two years of the pandemic – lower cases in the summer, and higher transmission in early winter.

Nonetheless, despite increasing societal acceptance of COVID-19 risk, employees will continue to expect their employers to take precautions (such as maintaining mask requirements or mandating booster shots, depending on the region and company culture), and companies should remain flexible for employees that are high-risk or who have children who cannot be vaccinated or who are dealing with unpredictable childcare.

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Coronavirus Condition Updates

As of 5:39 pm CEST on February 25, 2022

Global

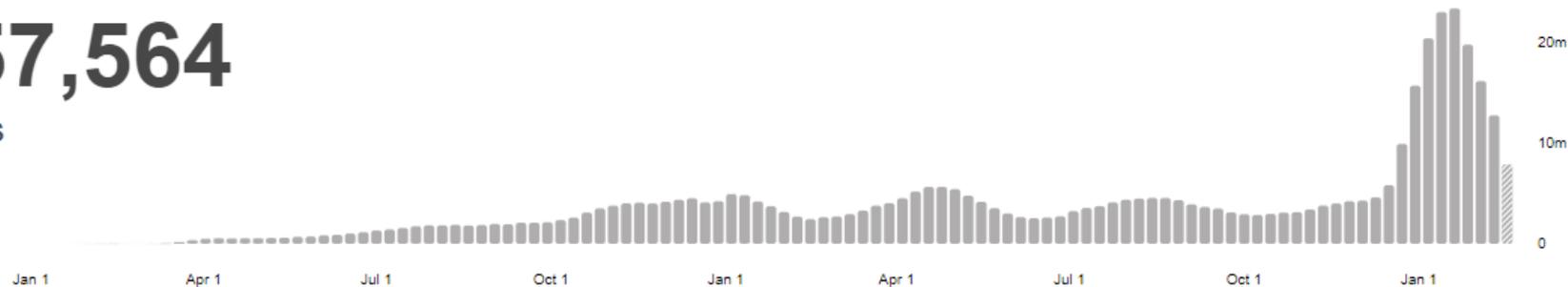
Globally, confirmed coronavirus cases topped 430.2 million with 5.9 million deaths; more than 10.5 billion vaccine doses have been administered.

Global Situation



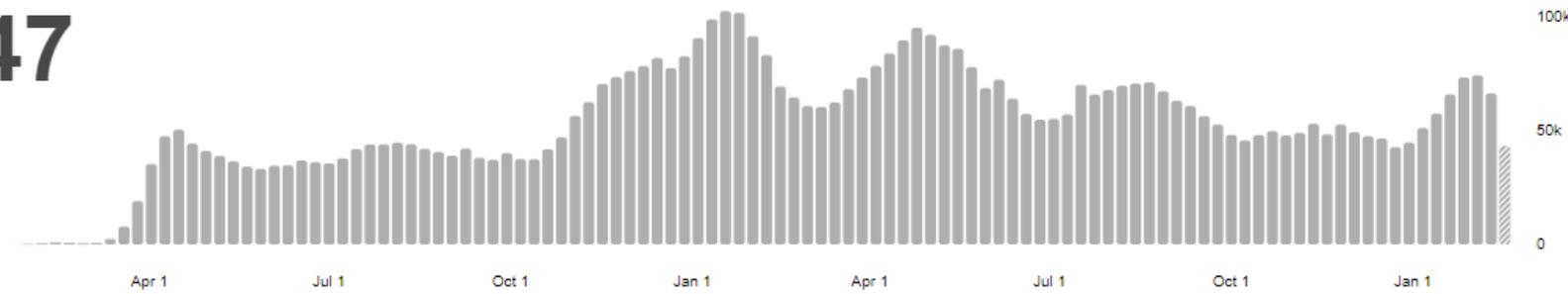
430,257,564

confirmed cases



5,922,047

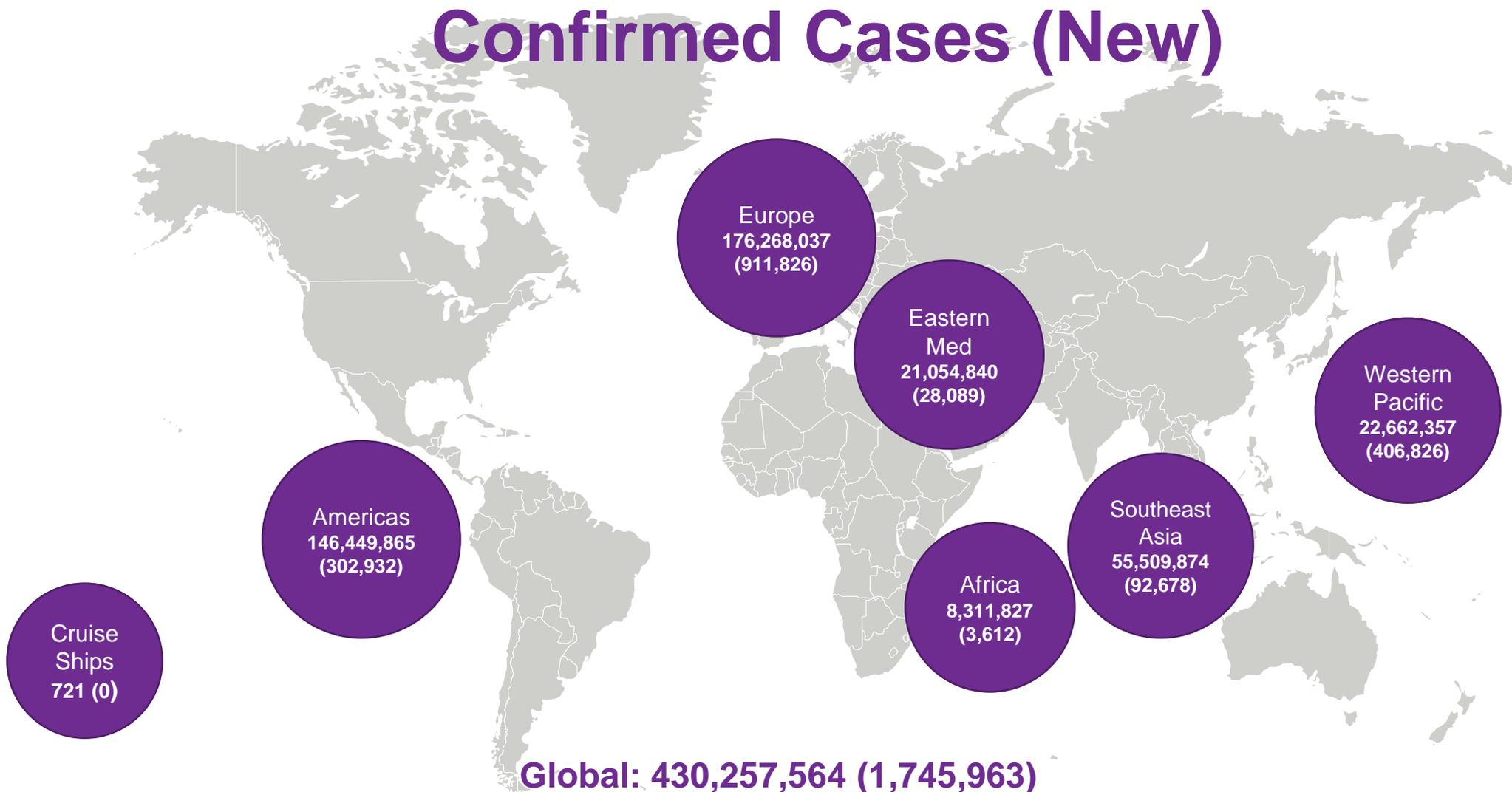
deaths



Source: World Health Organization
Data may be incomplete for the current day or week.

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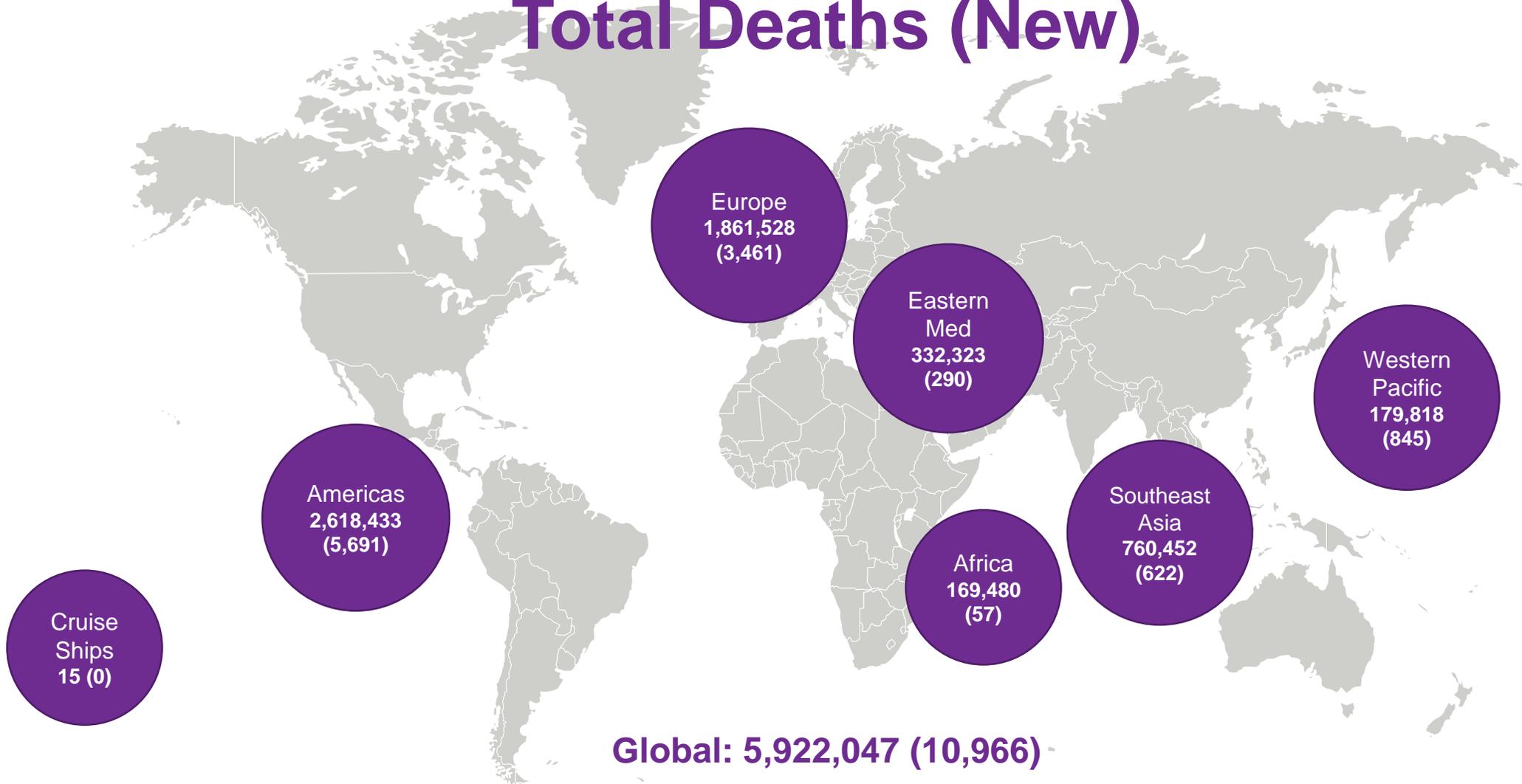
Confirmed Cases (New)



Reflects data as of 4:39 pm CEST on February 25, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:39 pm CEST on February 25, 2022.
Data Source: World Health Organization

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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

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