

Dentons Flashpoint

Daily Global Situation Report

January 6, 2022

Global Situation Update: January 6, 2022

KEY TAKEAWAYS

The EU warns Russia and the US against creating “*spheres of influence*” in Europe.

The US CDC approved the Pfizer Inc booster dose for 12 to 15 years old.

Walmart is targeted by a backlash from China for removing products from the Xinjiang region over forced labor concerns.

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WHAT WE'RE WATCHING

The new UK National Security & Investment Act 2021 comes into effect fully this week and gives the government in London powers to scrutinize and block business transactions, such as foreign takeovers of British companies, to protect national security. The act enhances existing oversight powers and is described as the “biggest shake-up of the UK’s national security regime for 20 years”.

The upgraded regulation is thought to be a response to concerns about Chinese takeovers of strategically important UK businesses such as chipmakers. For the first time, business must provide a mandatory notification and pre-closing clearance requirement for transactions in specified sectors. This UK screening regime is now in alignment with the Committee on Foreign Investment in the United States (CFIUS) and that of other intelligence allies.



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

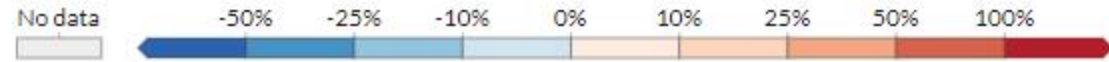
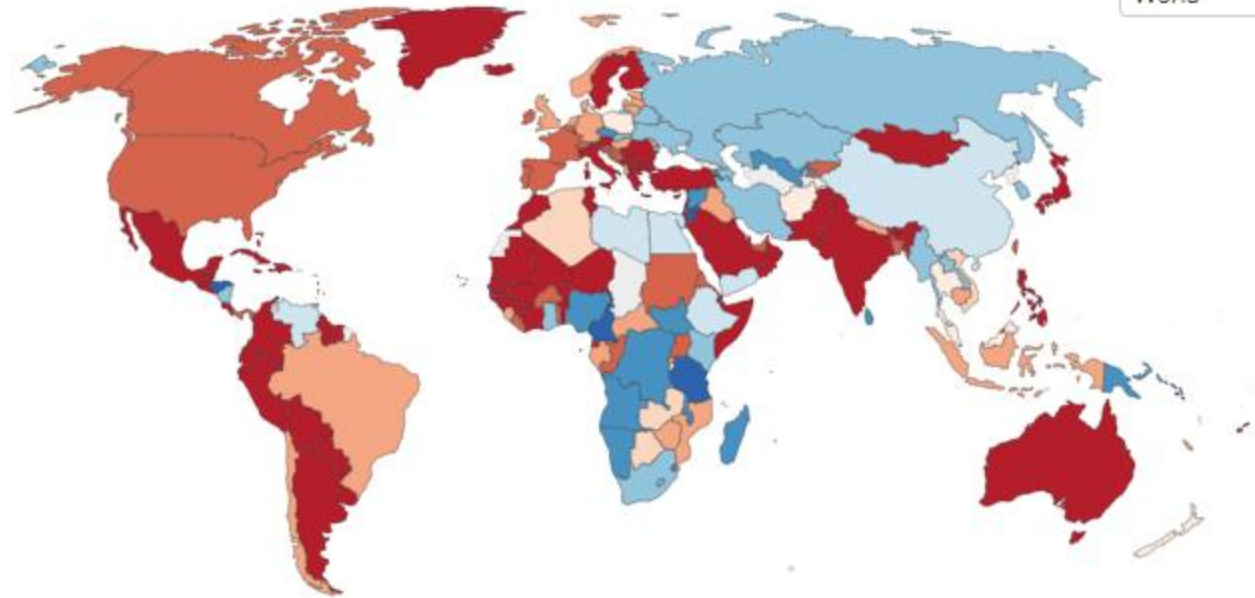
Global

Week by week change in confirmed COVID-19 cases, Jan 5, 2022

The weekly growth rate on any given date measures the percentage change in the number of new confirmed cases over the last seven days relative to the number in the previous seven days.



World



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Global

Globally, confirmed coronavirus cases topped 293.7 million with 5.4 million deaths; almost 9.1 billion vaccine doses have been administered.

- The EU's top diplomat warned Russia and the US against creating “**spheres of influence**” in Europe in a new “*Yalta*” deal, ahead of talks between the two countries next week regarding proposals from Moscow that would reshape the continent's defense and security architecture.
- A day after Switzerland's team leader asked for talks about possibly postponing the **Beijing Olympics** because of the coronavirus pandemic, the IOC promised officials worldwide on Wednesday the Winter Games will go ahead as planned.

Markets & Business

Investors poured a record \$330 billion into private start-ups in the US last year, nearly doubling the total from 2020 in a flurry of dealmaking.

- **Amazon.com Inc** and **Stellantis NV** will collaborate to develop cars and trucks with Amazon software in the dashboards, and deploy electric vans made by Stellantis on Amazon's delivery network.
- **General Motors Co's** electric commercial vehicle business, **BrightDrop**, has signed a new deal to supply EVs to retail giant **Walmart Inc** and expanded its supply agreement with delivery firm **FedEx Corp.**
- Russia has resumed natural gas supply to Romania through the Ukrainian gas transit system. **Gazprom** suspended gas transit to Romania via Ukraine in April last year and had since supplied gas via the Turkish pipeline.
- **Royal Caribbean** and **Norwegian Cruise Line** on Wednesday canceled sailings amid rising fears of Omicron-related coronavirus infections. The US CDC last week advised people to avoid cruise travel after launching investigations into onboard cases on more than 90 ships.
- **Walmart Inc** workers in the US who must isolate or who have tested positive for COVID-19 will receive one week of paid leave instead of two under a new policy that aligns with a change in US health guidance.

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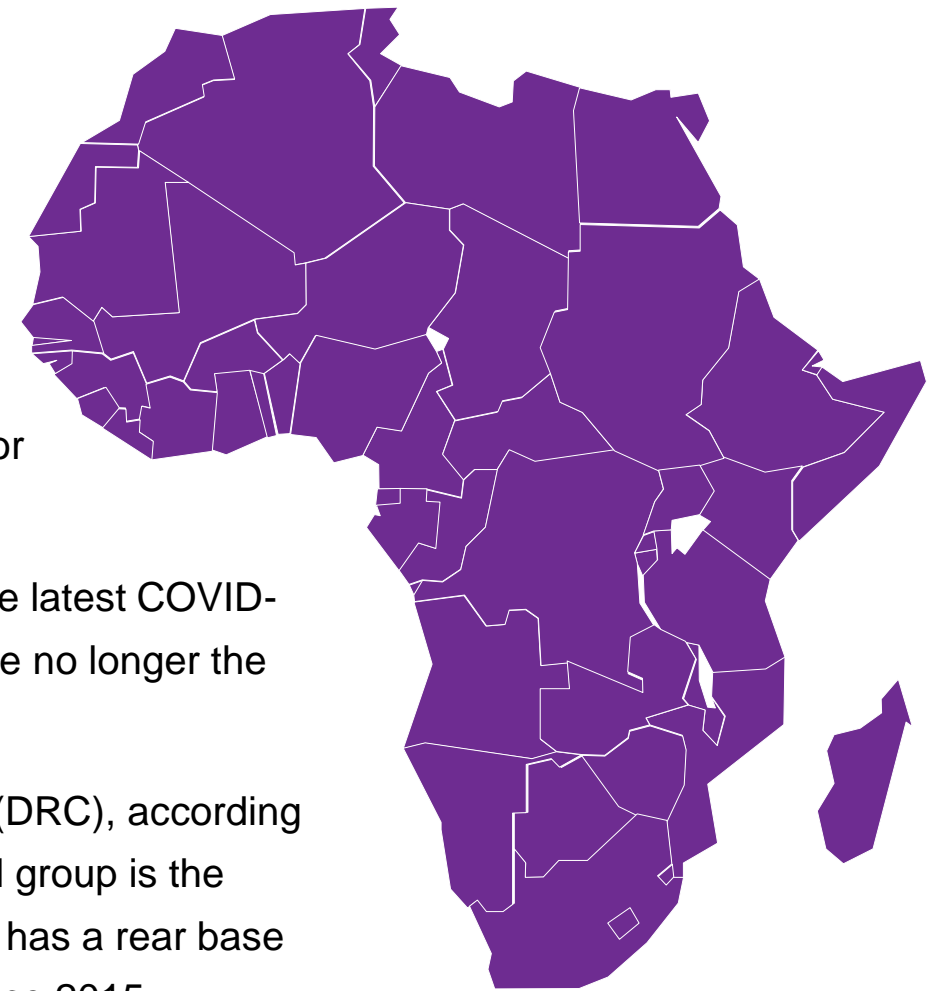
Environment, Sustainability & Governance

A group of institutional investors representing \$3.5 trillion in assets under management called on pharmaceutical companies to link their executives' pay to making COVID-19 vaccines available around the globe.

- US retail giant Walmart is the latest to be targeted by a backlash from China against western companies which have distanced themselves from the country's Xinjiang region over **forced labor concerns**. The Chinese Communist Party's Central Commission for Discipline Inspection accused Walmart of "stupidity and short-sightedness" after its Sam's Club subsidiary removed Xinjiang-sourced products from stores.
- Tesla's announcement that it has opened a showroom in Xinjiang has attracted criticism from US rights and trade groups over **forced labor concerns**.
- The US Environmental Protection Agency has added a powerful dry-cleaning solvent, 1-bromopropane, to its list of hazardous air pollutants, after years of advocacy by environmentalists and industry officials as a **dangerous airborne pollutant** suspected to damage nerves and cause cancer.

Africa

- The IMF in its 2022 outlook says the biggest negative factors affecting **African economies** this year will be the COVID-19 pandemic and the accelerating pace of climate change, both of which underscore the need for increased global cooperation and dialogue.
- Africa's top public health official praised **South Africa** on its handling of the latest COVID-19 wave driven by the Omicron variant, adding that severe lockdowns were no longer the best way to contain the virus.
- **Burundian** troops crossed into eastern **Democratic Republic of Congo** (DRC), according to local sources pursuing Burundian rebels holed up in the area. The rebel group is the RED-Tabara, a force estimated to number between 500 and 800 men that has a rear base in eastern DRC and has been accused of a string of attacks in Burundi since 2015.
- China will appoint a special envoy for the Horn of Africa to support efforts to overcome security challenges, **Chinese** Foreign Minister Wang Yi announced while on a tour of **Eritrea and Kenya**.



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How do You Manage Risks?

The coronavirus pandemic has not just added a new layer of risk for business leaders to navigate, but has accelerated drivers of change, including disruptive technologies, political and economic realignments and cultural priorities on equality, justice and conservation, while increasing vulnerabilities that bad actors seek to exploit.

Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ due diligence and compliance investigations
- ❖ physical and cyber security assessments
- ❖ country and political risk assessments
- ❖ enterprise risk management and organizational resiliency advice
- ❖ crisis and incident response (physical security breaches and cyber incidents, insider threats and reputational impacts)

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

Asia

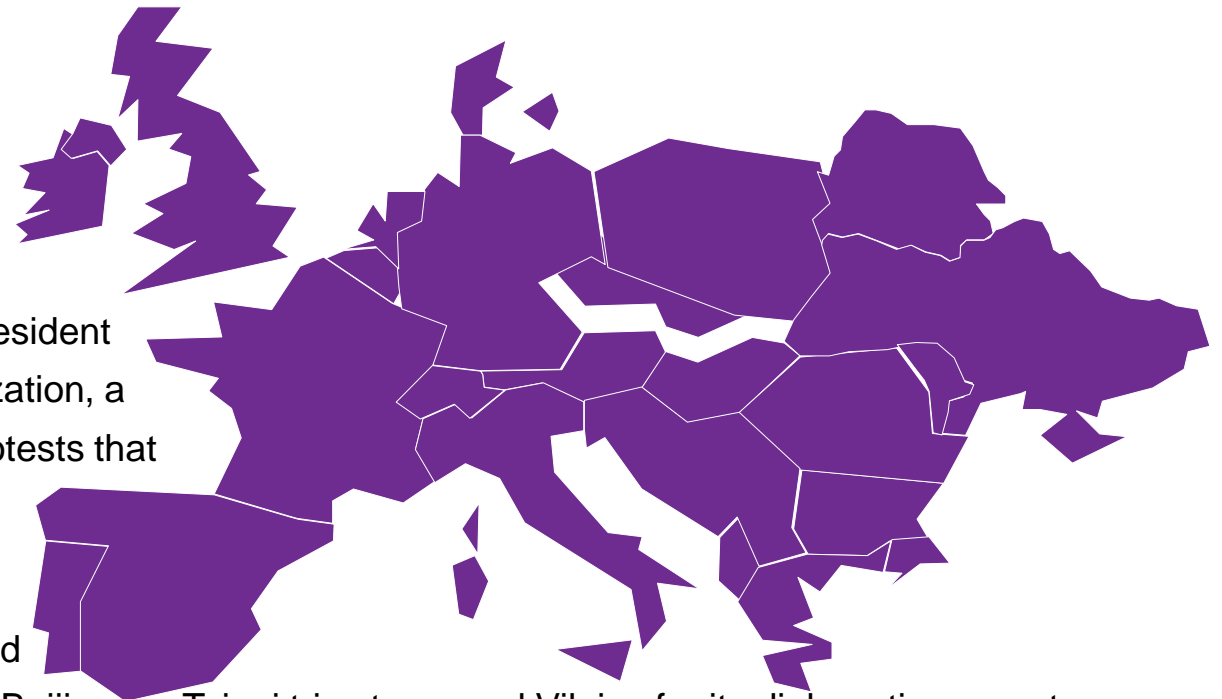
- **Australia's** daily coronavirus infections soared to a fresh peak yesterday, overwhelming hospitals, while isolation rules caused labor shortages, putting a strain on businesses and supply chains. World number one tennis player Novak Djokovic was denied entry into Australia amid a storm of protest about a decision to grant him a medical exemption from COVID-19 vaccination requirements to play in the Australian Open.
- US military bases in **Japan** introduced stricter COVID-19 measures after the host government expressed grave concern about a surge of new infections. The southern prefecture of Okinawa, host to 70 percent of **US** military facilities in Japan, is at the epicenter of Japan's latest surge of cases.
- **Indonesian** authorities postponed a meeting with coal mining companies, as ships moored off the coast remained in limbo as they waited to see whether the government would lift a ban on coal exports. Indonesia, the world's top exporter of thermal coal and **China's** largest overseas supplier, announced on Saturday a ban on coal exports in January to avoid outages at its own generators, sending coal prices in the region surging.



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Europe

- **Russia** sent paratroopers into **Kazakhstan** in response to the president of Kazakhstan appealed to the Collective Security Treaty Organization, a Russian-led security bloc, for help after failing to quell days of protests that have seen state buildings torched and eight security personnel reported dead.
- **Taiwan** is setting up a \$200 million fund to invest in **Lithuania** and is seeking to replace **China** as a destination for items banned by Beijing, as Taipei tries to reward Vilnius for its diplomatic support.
- The **US** announced sanctions against Bosnian Serb leader Milorad Dodik who has been at the center of an escalating political crisis in **Bosnia and Herzegovina**, accusing him of “*corrupt activities*” that threaten to destabilize the region and undermine the 1995 Dayton agreement.
- **Italy** made COVID-19 vaccination mandatory for people from the age of 50. A “*supersonic*” rise in **French** COVID-19 cases will continue in the coming days, the government warned; France's parliament on Thursday approved President Macron's plans for a vaccine pass to help curb the spread of the Omicron variant after a tumultuous debate. Daily coronavirus cases in **Sweden** soared to a record high. **Bulgaria** will require almost all travelers from the European Union to have a negative PCR coronavirus test prior to entry along with a valid COVID vaccination certificate. The **UK** ended the requirement of pre-departure COVID tests for arriving travelers, saying they have outlived their usefulness given community spread of the virus within the country.



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Middle East



- **Lebanese** Prime Minister Mikati said he will convene the Cabinet within days for the first time in nearly three months, potentially ending a standoff that has paralyzed the government during a financial crisis. Iran-backed Hezbollah and its ally the Amal movement have refused to allow the Cabinet to meet, demanding the removal of a judge investigating the devastating 2020 explosion in Beirut port.
- **Jordan's** King Abdullah has publicly hosted a senior **Israeli** official for the first time in more than four years.
- The **US** condemned, and the **UN** expressed concern on reports that **Iranian**-back **Yemeni** Houthis have seized a UAE-flagged cargo ship, the Rawabi, last Sunday, calling on the militia to respect the “*rights and obligations related to maritime navigation in accordance with international law.*”

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Americas

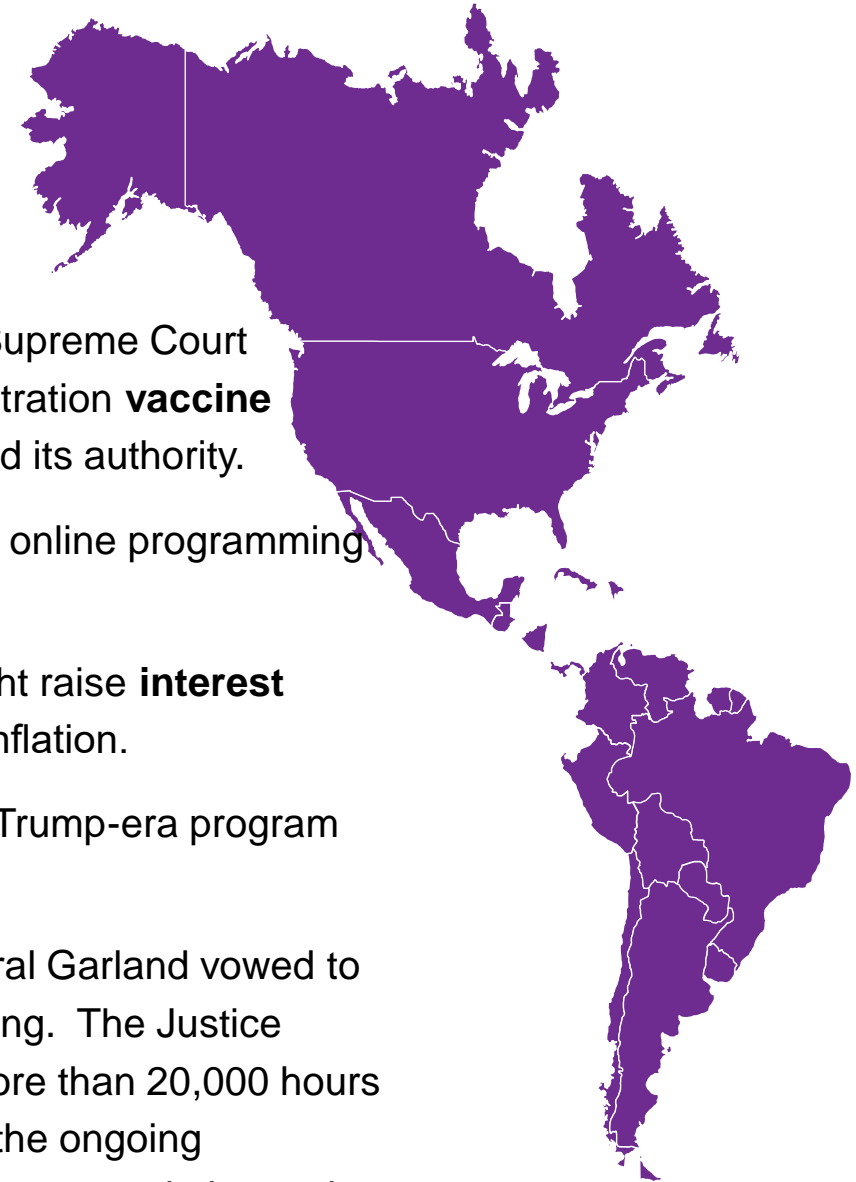
- **Mexico's** attorney general has requested a prison sentence of up to 39 years for the former chief executive of state oil company Pemex for his role in a corruption scandal.
- **Cuba** tightened border controls as the country moved to tamp down a growing wave of coronavirus infections, requiring negative PCR tests plus proof of vaccination.
- In **Brazil**, Rio de Janeiro has cancelled street parades and parties during its world-famous Carnival for a second year due to an increase in COVID-19 cases and the threat from the arrival of the Omicron coronavirus variant.
- **El Salvador** allowed two **Cuban** journalists to enter the country after the reporters were expelled from Cuba and then barred from entering **Nicaragua**. The journalists are part of the San Isidro Movement, a group of a few dozen artists, writers and activists that had for years protested restrictions in Cuba on civil liberties.
- Emergency services in many major **Canadian** cities are facing staffing shortages due to a surge in COVID-19 cases across the country, with police, ambulance and fire all scrambling to redeploy and bolster their ranks. The Ontario government has instructed hospitals and health-care professionals to stop all non-urgent surgeries and procedures to preserve critical-care capacity and human resources.



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Americas: US

- The CDC approved the Pfizer Inc **booster dose** for 12 to 15 years old. The US Supreme Court will hear arguments today on emergency requests challenging the Biden Administration **vaccine mandate** for large businesses on the basis that the White House has overstepped its authority.
- The Grammy Awards were postponed, and the Sundance Film Festival moved to online programming in response to the surge in **Omicron infections**.
- The Federal Reserve minutes released on Wednesday said the central bank might raise **interest rates** “*sooner or at a faster pace*” than officials had anticipated to combat rising inflation.
- The US began returning **migrants** to the Mexican city of Tijuana in a restart of a Trump-era program that forces asylum seekers to wait for US court hearings in Mexico.
- Marking the first anniversary of the **attack on the US Capitol**, US attorney-general Garland vowed to hold January 6 perpetrators to account, indicating more charges will be forthcoming. The Justice Department has issued over 5,000 subpoenas and search warrants, reviewed more than 20,000 hours of video footage and received tips from over 300,000 ordinary citizens as part of the ongoing investigation. More than 725 defendants had already been charged with criminal counts relating to the attack.



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The Great Resignation: Employee Burnout and Retention of Talent in 2022

“The stakes are high for employers because burnout is one of the top reasons why employees are quitting their jobs...Employers will need to dig deeper into their toolkits to demonstrate that employees are valued and address – not just acknowledge – the root causes of burnout.”

With the start of the new year and employees returning to work after vacations with family and friends, there is a sense of opportunity to start afresh for both employees and employers. However, that optimism risks hitting a brick wall if burned out employees feel as though nothing has changed. The stakes are high for employers because burnout is one of the top reasons why employees are quitting their jobs. Furthermore, 2022 is getting off to a less than promising start because rising expectations of getting past the disruptions of the pandemics through vaccination and herd immunity has hit a big bump in the road in the form of the Omicron variant, which has upended back to office plans and in-person education for children. Employers will need to dig deeper into their toolkits to demonstrate that employees are valued and

address – not just acknowledge – the root causes of burnout.

Signs of Employee Burnout

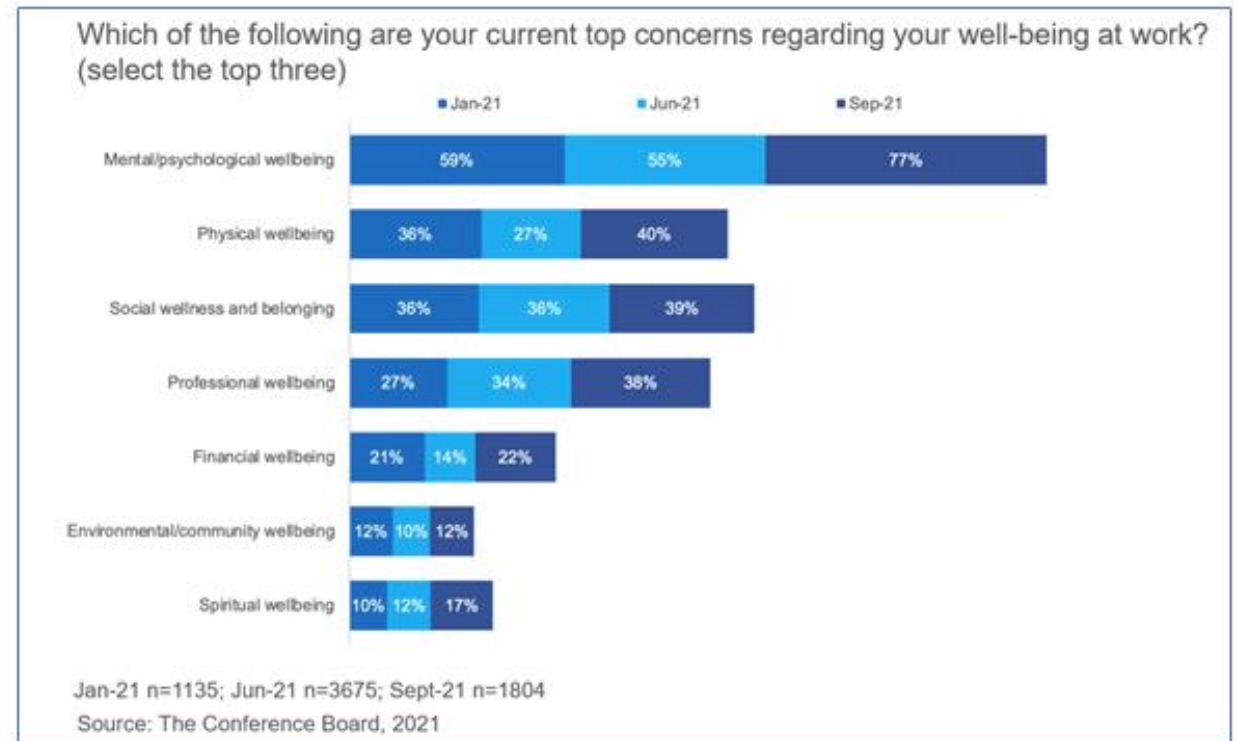
Employee burnout is nothing new. The World Health Organization recognizes it as a social phenomenon and defines it as feelings of exhaustion and reduced effectiveness resulting from chronic workplace stress. According to the Maslach Burnout Inventory, these six aspects make a workplace prone to burnout: demand overload, lack of control, insufficient reward, socially toxic workplace, lack of fairness and value conflicts. Teams can start to exhibit signs of stress long before most people speak up about it and start resigning. The fear of losing a job has been replaced with the fear of losing out on something better.

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Burnout had been mounting since before the pandemic, but like many other issues, the pandemic has been an accelerant. According to US think tank The Conference Board's October 2021 survey, more than three quarters of surveyed employees listed concerns like stress and burnout as one of their biggest well-being challenges at work, up from the June survey which found a little over half reporting mental well-being concerns.

Strategies to Reduce Burnout and Retain Talent

Employees want to see employers pay attention to their social, professional, mental and financial well-being. Increasing communications between managers and staff – especially remote staff -- is an essential opportunity to identify signs of burnout and discuss employee concerns. Employers should consider requiring managers to hold regular one-on-one check-ins and provide training to managers on best practices to get the most out of these sessions. Opening up communications specifically on burnout is beneficial but can only go so far: employees



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suffering from burnout need change, not just counselling. The Conference Board survey tellingly found that while most respondents felt their supervisors genuinely cared about the well-being, significantly fewer thought their supervisor would change their workload to address mental health concerns.

Employees are being overwhelmed by increased workload and expectations. Early in the pandemic, employees – worried about job retention – took on more assignments and added hours to the workday. Almost two years into the pandemic, exhaustion is becoming the watchword. The ease of Zoom conferencing and the desire to connect has edged out heads down time needed to get work done. With technology connecting employees to the office 24/7, through emails and notifications from Slack and other technology tools, the result is an on-call culture that erodes the work/life balance.

Businesses are experimenting with ways to help employees collectively to limit out-of-control demand on time. Creating Zoom-free days or Zoom-free hours within the day – such as from 12:00pm to 2:00pm, to provide time for deep work without interruption and structured time each day for employees to take a break, eat a meal,

get exercise, meditate, and/or run personal errands. Other employers seek to maximize flexibility, empowering employees to set their own schedules as long as deadlines are met. According to multiple surveys, women in particular appreciate and need flexible schedules to manage childcare responsibilities. Companies need to foster a culture that supports work/life balance. Some encourage employees to turn off notifications at the end of the regular workday and either abstain from sending emails outside of normal work hours or establish expectations that messages will not be read/responded to after hours. Managers need to lead by example.

More companies are offering mental health programs to employees in a proactive effort to help employees manage stress and burnout. According to The Conference Board survey, 82 percent of participants responded that their company offered programs that support emotional well-being and 79 percent said online resources and tools on well-being were available, but participation rates fell below 50 percent. This suggests that organizational well-being initiatives are not as helpful as many may have hoped. Highest participation rates were for formal policies that promote work/life balance. Human resource specialists suggest that employees may need need to be nudged to develop a regular mental health regimen

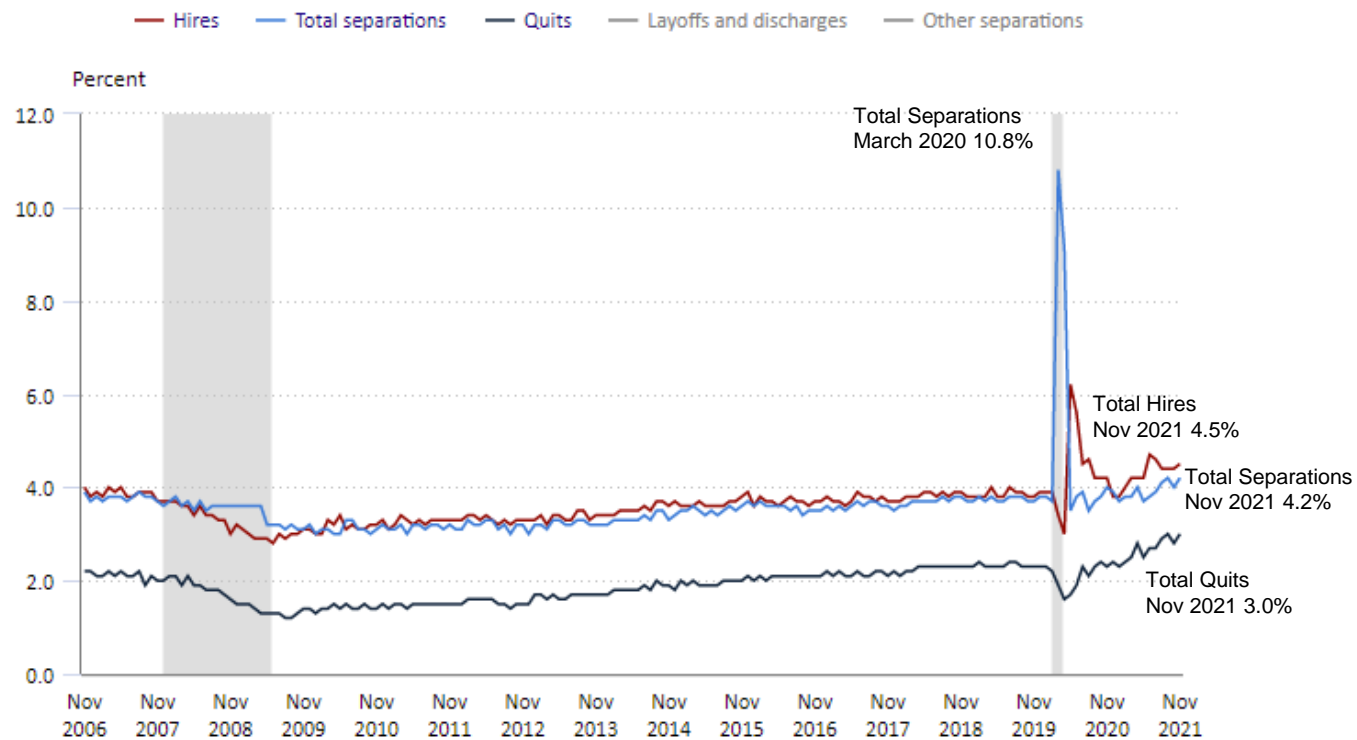
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The Great Resignation: Employee Burnout and Retention of Talent in 2022

to promote resiliency. Some companies are instituting mental health days while others are creating incentives for employees to participate in mental health programs. Recognizing that some employees are reluctant to participate in company programs due to privacy concerns, companies are expanding programs to raise awareness about third party online tools, such as self-help apps for relaxation, meditation and falling asleep easier and to manager anxiety, depression, and stress.

Another element that feeds into burnout is the feeling that an employee's efforts are not sufficiently rewarded. Reward comes in different forms, from demonstration of impact of the employee's work to training opportunities and financial compensation. Managers should routinely provide feedback to employees on their work and how it contributes to the success of clients and the company. In one-on-one sessions, managers should ask forward-thinking questions that communicate a desire to invest in the

Total nonfarm hires and separations rates, seasonally adjusted



Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics.

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team member's future, such as opportunities to lead new projects or offer thought leadership. Workplace rewards like gift cards and certificates are nice, but they will not prevent job burnout or boost retention. Companies should think about financial rewards that invest in employees' futures, such as providing training and educational incentive programs assisting in student loan repayment to ease crushing student debt or linking retirement savings to student loan debt payments (In other words, a company could "match" an employee's monthly student loan payment of \$100 with up to \$100 going into a retirement plan like a 401(k)). Investing in the here and now also matters. With inflation on the rise, annual salary increases risk being overtaken by increases in the cost of living.

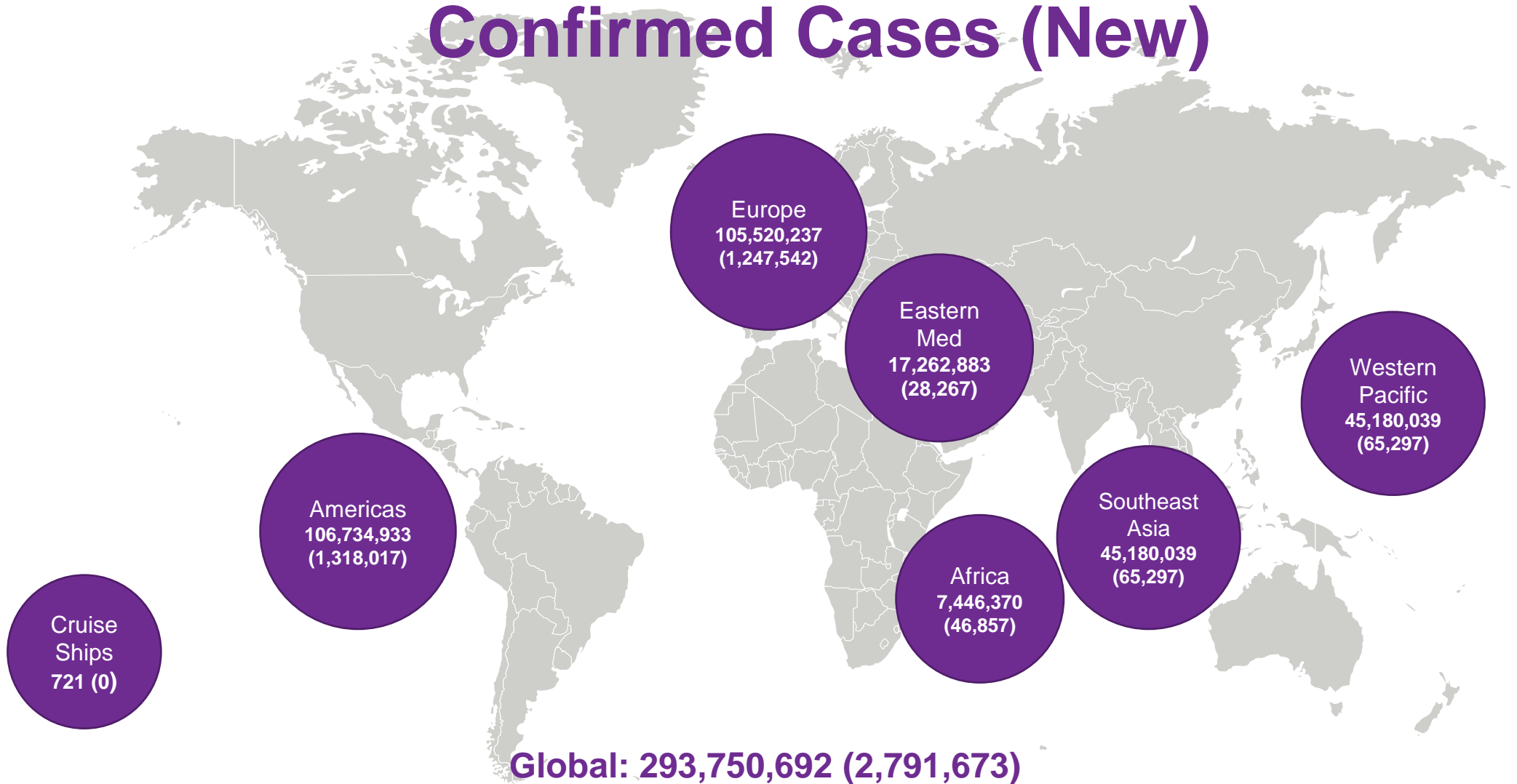
For 2022, the Great Resignation trend is expected to accelerate in the US, with the gap narrowing between the percentage of people actually quitting their jobs in 2021 (3 percent of the workforce in November 2021 alone) and those contemplating a change in 2022 (73 percent according to Joblist), with a potentially notable convergence leading to talent wars as companies increase new hire salaries and offer signing bonuses. Companies have an opportunity to impact employee calculations by understanding and proactively addressing what keeps the workforce productive and vested.

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Coronavirus Condition Updates

As of 4:53 pm CEST on January 5, 2022

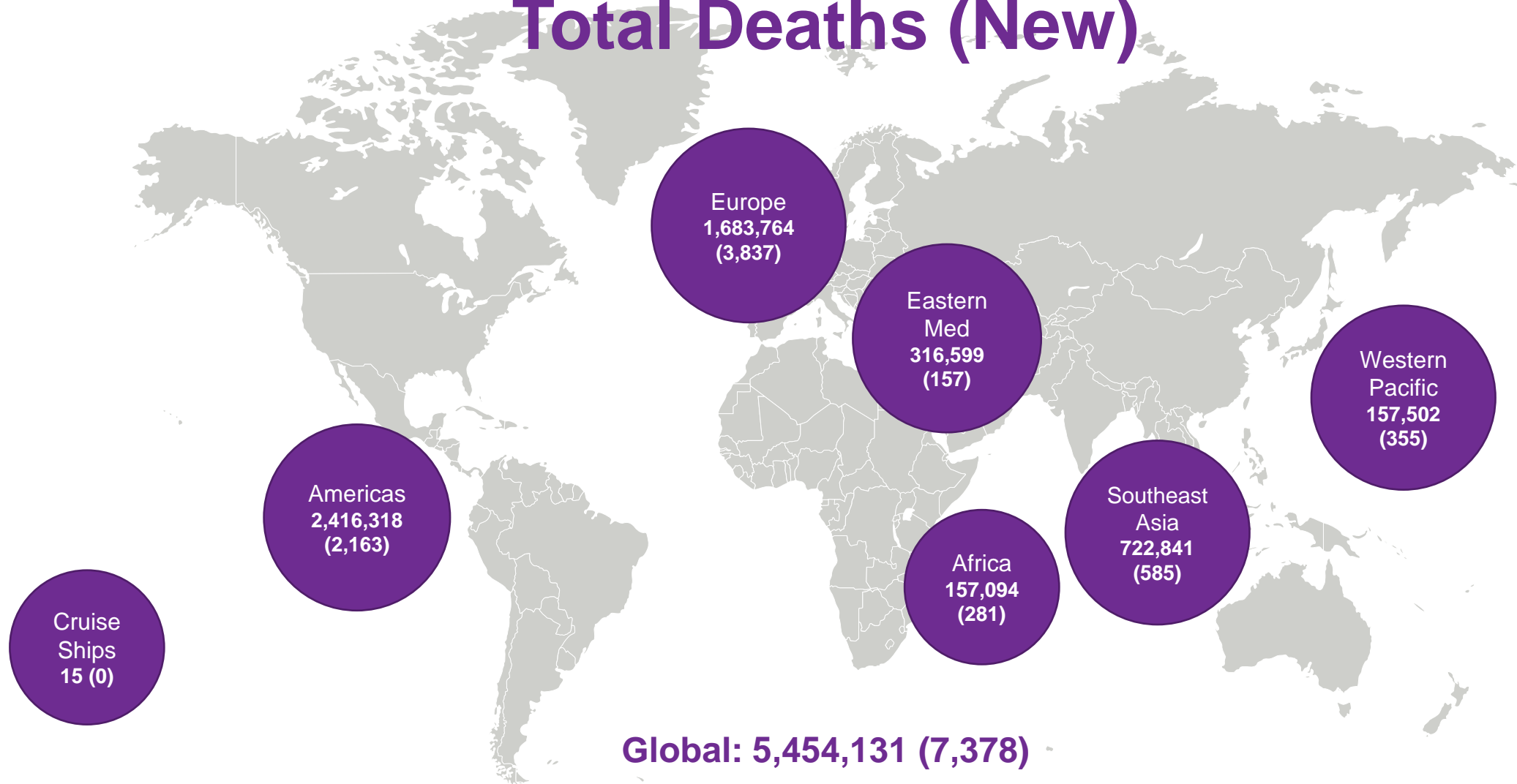
Confirmed Cases (New)



Reflects data as of 4:53 pm CEST on January 5, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:53 pm CEST on January 5, 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.

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