Above all else, the COVID-19 pandemic is a global health crisis. At the same time, its impact on the global economy is growing exponentially, with short and long term business implications. Businesses need to appropriately face this crisis. Each level of a corporate structure has its role in responding and ensuring that best practices are adopted. Here are some issues to consider which may be helpful to you as company leadership. Generally applicable to any type of business, some tips may not be relevant based on the nature or size of your business, shareholding structure or other factors. Consider these as applicable.

COMMITMENT TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Demonstrate leadership and maintain a good corporate culture

- Are you demonstrating leadership: communicating clearly and in a timely manner to your staff and your key stakeholders? Specifically: the health and safety of employees is of upmost importance, and you should address the COVID-19 impacts on your employees and business.
- Is your commitment to abide by local public health guidance for virus spread prevention clearly communicated?
- Have you checked / reviewed your Business Continuity Plan (BCP), and updated if necessary, to determine if it contemplates the current scenario? If not, consider immediately updating your BCP.
- Have you engaged the Compliance Function to monitor compliance with BCP policies and procedures? Ensure that they know to escalate issues in real time, with direct access to the Board.

BOARD OF DIRECTORS

Oversee crisis management

- Are you holding emergency or ad hoc Board meetings? Use these meetings to set the tone “at the top” of the company as to the urgency of the crisis and to message strong leadership and oversight.
- Has an ad hoc COVID-19 or Crisis Committee been assembled or the risk management committee tasked with overseeing impacts of the crisis? Have you considered membership on such a committee - including senior management, Human Resources, Operations, Information Technology (IT)?
- Are you having an open discussion on whether the Board has the capacity and skills to oversee the BCP and lead the company through the crisis? If the answer is no, augment Board expertise with external support in the short-term and reconsider Board composition in the longer term.
- Does the company have an emergency succession plan and is it ready to be activated? Plan for back up availability for key people in the organization.
MANAGEMENT

- Have you set up a Management Crisis Team to develop a comprehensive plan to address crisis impacts under different potential scenarios? The plan should be relative to the intensity and duration of the crisis and potential effects on liquidity, funding, key business lines and supply chains?
- Have you established recurring periodic calls between the Management Crisis Team and the Board Crisis Committee?
- How are impacts on the workforce reported to the Board?
- Have you determined who is essential during this crisis and what critical ‘crisis skills’ may be needed, potentially forming teams working from different locations?
- Do you need to create a Liquidity Management Team? Consider including liquidity within the Management Crisis Team’s scope.

CONTROL ENVIRONMENT

INTERNAL CONTROL SYSTEM, INTERNAL AUDIT FUNCTION, RISK GOVERNANCE AND COMPLIANCE

Ensure preparedness and robust response to crisis

Are your key Control Functions functioning well? Consider:

- **Internal Controls**: adequacy of BCP policies and procedures, IT controls related to telecommuting, workplace safety, food safety, etc. Don’t overlook Cyber/IT issues. In times of crisis, these vulnerabilities may be worsened.
- **Compliance**: adequacy of compliance with relevant controls including but not limited to BCP, IT, safety, etc.
- **Internal Audit**: capacity for alternative procedures for continuing the audit work plan and reporting, assessing adequacy of BCP, advising on deficiencies of related controls and corrective action.
- **Risk Management**: risk assessments and mitigants for related immediate risks as well as long-term implications.

If these have not been recently tested or you are unsure that they have been, do so. If recently tested, continue to monitor their implementation with regular reporting and adjustments.

DISCLOSURE AND TRANSPARENCY

Build trust through communication

- Are you maintaining immediate and regular communications with investors and all significant stakeholder groups on how COVID-19 is affecting the business? Stakeholders include staff, clients, suppliers, local community and local government.
- Are you communicating COVID-19 related measures and practices on your website in case of a diversified shareholder and stakeholder base?
- Have you considered requirements to disclose material changes that might affect earnings and future prospects?
- Has management developed and launched an internal communication campaign asking workers/staff to remain home if ill, or not to come to work until a specified amount of time has elapsed?

Don’t forget: A track record on continued communication and openness with investors and stakeholders can build goodwill.
SHAREHOLDER RIGHTS

Maintain investor relations in absence of usual in-person shareholder meeting

- While some investors oppose virtual meetings and they are not permitted in some jurisdictions, the COVID-19 crisis presents an extraordinary challenge to hold a timely Annual General Meeting (AGM).
- Ask if the corporate secretary has contemplated holding a virtual AGM, considering legal requirements and constraints such as statutes, bylaws and available technology solutions.

GOVERNANCE OF STAKEHOLDER ENGAGEMENT

Support the company's sustainability

- Are you communicating key messages to the company’s key stakeholders on the Company’s actions and responses? In particular, these should include employees, clients, suppliers, local communities and public health officials.
- Have you activated a confidential reporting mechanism to report concerns of employees, suppliers and clients in respect of spread prevention?

Additional resources: IFC’s publication Navigating Through Crises: A Handbook for Boards (2010) prepared as part of IFC’s overall crisis-response program, with funding from the Oesterreichische Entwicklungsbank (OeEB) https://www.ifc.org/wps/wcm/connect/region_ext_content/ifc_external_corporate_site/east+asia+and+the+pacific/resources/navigating+through+crises+-a+handbook+for+boards

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2121 Pennsylvania Avenue, N.W.
Washington D.C., 20433 USA
Internet: www.ifc.org