

## TOP LINE

Covid-19 has revealed how clearly global health, economic output, and lifestyle affect the environment around us. The notion that the pandemic has been good for the environment is a popular sentiment, but unsustainable without proactive steps. Millions of people unemployed is not a sustainable way to reduce carbon emissions. As stay at home orders are lifted around the world, carbon emissions will continue their climb to record levels unless businesses take concrete steps to avoid a bounce-back effect of pollution.

Steps are being taken and a shift has occurred. Oil and gas companies, such as British energy producer BP, are writing down assets to account for the expectation that governments will accelerate movement to decarbonize the economy and push up energy prices. However, global commitment to clean energy is uneven. The Covid pandemic clearly demonstrated that the world is not prepared to cease using fossil fuels absent a complete economic shut down. While a number of European capitals included big clean energy spending commitments in their stimulus packages, fossil fuel usage is surging in manufacturing centers as factories seek to make up for lost revenue. Green investment is accelerating even amid the pandemic, but more is required; a concerted global effort is essential to shift behavior and mobilize investment in long term sustainability.

Business leaders should anticipate the expectation for strong environmental strategies will continue to grow. Workforces and stakeholders alike have indicated a desire for leadership and action in the environmental space amid the Covid-19 crisis. Leaders who prepare to address the health of their workforces, businesses, and the environment with strong strategies and decision making will set themselves up for success in the future.

### *Questions to Consider:*

*What influence will Covid-19 induced global supply chain disruption and travel restrictions have on efforts to decarbonize the global economy? How can business leaders best prepare strong environmental strategies during the current economic downturn?*

## COVID-19: THE HIGHLIGHTS

Covid-19 cases continue to [rise](#) across the Southern and Western U.S. with daily [counts](#) being the highest they've been in a month, even as caseloads decline elsewhere in the country. Despite political statements to the contrary, health experts assert that this growth is a continuation of the first wave of the virus. A second wave is not guaranteed due to the unique and unpredictable nature of the virus; however, exiting the first wave is still the primary goal – and an objective which has not yet been reached. Additionally, months into the pandemic, testing remains unreliable as [false negatives](#) continue to be problematic, particularly for pre-symptomatic and asymptomatic individuals. This raises further questions about the Covid-19 trajectory as pre-symptomatic cases are estimated to account for 44 percent of virus transmission. Despite this, a growing [consensus](#) of how Covid-19 spreads is improving the ability of workplaces to open safely and with appropriate precautions in place.

## BEYOND THE NOISE

**Environmental impact:** Widespread shutdowns of businesses in early April lowered the estimated daily global carbon [emissions](#) by 17 percent compared to last year. However, as of early June, carbon emissions are only five percent lower than last year even though normal economic activity has not fully restarted, emphasizing the risk that carbon output could surge beyond pre-pandemic levels in the near term. Even so, Covid-19 has laid bare the link between human and planetary [health](#) and disrupted the way many global businesses operate. Despite the dramatic market downturn associated with the Covid-19 pandemic, investors have seen record inflows into [sustainable](#) strategies. This reinforces the view that the structural shift in investor preferences is more durable than short term market movements.

- **Secure environment:** Consider what policies can carry through post-pandemic to support environmental health and sustainability. Focus on how to establish measures of resilience oriented towards investment in employees, customer base, and stakeholders.

**Energy shifts:** Oil companies have faced a dual crisis as global lockdowns have limited travel and reduced oil demand amid an oil glut and price war early in the pandemic. As the restrictions fueled by this crisis continue, the oil and gas industry may [never](#) recover. British energy company BP indicated that it anticipates accelerated [decarbonization](#) from (European) governments when it committed to a substantial write down of its oil and gas assets. Furthermore, Covid-19 brought the [fragility](#) of global supply chains into sharp focus. The appeal of shortened supply chains is growing for many U.S. and European firms; however, [leaving](#) China and redirecting or reshoring supply chains will require significant policy shifts at home.

- **Secure options:** Evaluate sustainable alternatives to carbon fuels which meet or exceed stricter European energy standards. Consider the implications of overseas contracts and intellectual property requirements when developing plans for supply chains.

## TRUSTED RESOURCES: for numbers & guidance

[Johns Hopkins University](#) – Coronavirus Resource Center

[World Health Organization](#) – COVID-19 Pandemic

[Center for Disease Control](#) – Coronavirus (COVID-19)

*Please contact Secure Source International at [info@securesource.com](mailto:info@securesource.com) to schedule a leadership roundtable with our intelligence and security experts to dive into these topics and discuss security and safety related best-practices..*