

# Dentons Flashpoint

## Daily Global Situation Report

March 2, 2022

# Global Situation Update: March 2, 2022

---

## KEY TAKEAWAYS

Russia switches military tactics, bombarding Ukrainian cities to minimize Russian casualties.

Russia's largest bank Sberbank becomes first to exit Europe after its Austrian unit fails.

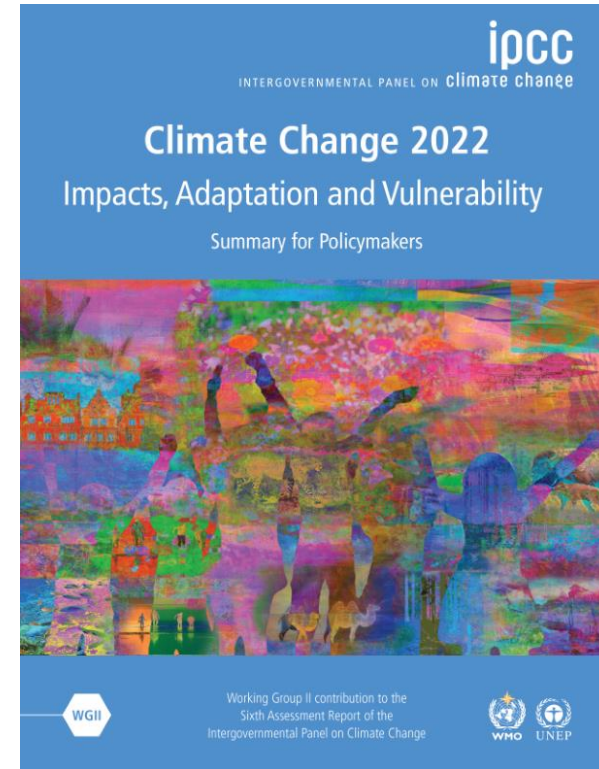
Nearly 800,000 refugees from Ukraine seek asylum in neighboring countries.

# Global Situation Update: March 2, 2022

## WHAT WE'RE WATCHING

The Intergovernmental Panel on Climate Change (IPCC) published a report this week on climate change impacts, adaptation and vulnerability. The report is the latest in a series to highlight the escalating operational risks associated with climate change. Beyond extreme weather events, the report highlights the likelihood of greater disease spread on a warming planet and, for the first time, identifies that mental health challenges are linked with rising temperatures.

Rising food insecurity and deforestation may lead to domestic and international conflict over resources, according to the report. The release coincides with the worst floods in decades in Australia, major droughts in California and South America (a top global exporter of soybeans), and extreme weather in many other regions.



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

# Global

---

**Ukraine's leader called on Russia to stop bombarding civilians and resume talks. The Kremlin said its delegation will arrive for the next round of discussions in Belarus on Wednesday evening.**

- Western powers ruled out establishing a **no-fly zone** over Ukraine because it would bring NATO into the hostilities.
- Canada and Lithuania asked the International Criminal Court to investigate Russian **war crimes** in Ukraine, which is not a member.
- The **United Nations General Assembly** is set to reprimand Russia today and demand that Moscow stop fighting and withdraw its military forces.
- The US closed its **airspace** to Russian aviation and ordered the Justice Department to seize the yachts, luxury apartments and private jets **of wealthy Russians** with ties to Putin.
- The World Bank will reportedly push through an additional **\$350 million loan** for Ukraine within days.
- The government of Ukraine issued **war bonds** on Tuesday, raising 8.1-billion-hryvnia, equivalent to \$270 million.

# Markets & Business

---

**Wheat prices have hit a 14-year high, breaching \$10 a bushel as ports have closed and leading grain traders including ADM and Bunge suspended their operations in Ukraine after the Russian invasion.**

- Benchmark global **oil prices** surged above \$110 a barrel, hitting a multiyear high, amid fears that the Ukraine crisis will disrupt global energy supplies.
- Members of the International Energy Agency agreed to tap their **strategic oil reserves** to release 60 million additional barrels of oil to offset market disruption
- **Nord Stream 2** filed for insolvency.
- **Euroclear**, the world's largest securities depository, stopped accepting payment in rubles.
- Western governments agreed to cut seven Russian banks off from SWIFT, including the second-largest Russian bank, VTP, but not **Gazprombank**, which is heavily involved in energy, or **Sberbank**, the largest lender.
- World **government bonds** rallied as investors bet that Russian market disruption would slow fiscal tightening.
- Crypto research group **Chainalysis** reported that crypto trading between the ruble and crypto assets have doubled; crypto platforms including **Binance** have pushed back on calls to limit ruble transactions.

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

# Environment, Sustainability & Governance

---

**The US launched the GOES-T spacecraft yesterday, a satellite designed by the National Oceanic and Atmospheric Administration (NOAA) to provide round-the-clock tracking of weather, wildfires and climate change over Earth's western hemisphere.**

- **ESG ratings agency MSCI** downgraded Russian and Belarussian investments.
- US insurer American International Group will no longer **underwrite services** and investments supporting new coal-fired power plants, thermal coal mines or oil sands.
- Coal giant Peabody announced its intention to make its foray into **solar**, planning a joint venture to produce solar on former mining sites.
- Macy's announced its social purpose platform **Mission Every One**, which pledges to direct \$5 billion of company spend to the achievement of "a more equitable and sustainable future."
- The US Department of Energy announced a public-private partnership urging companies to set ambitious **net-zero pledges**, called Better Climate Change, kicking off with a commitment from 90 industry leaders to seek at least a 50 percent reduction in scope 1 and 2 emissions by 2030.

# Africa

---

- The **African Union** denounced reports that African migrants are being refused the right to cross borders out of **Ukraine**.
- West African financial body UMOA-Titres reported that the total amount of debt that **Mali** has defaulted on as a result of sanctions following military coups has reached \$180 million.
- A national conference in **Burkina Faso** led by the military junta approved a three-year transition plan for the junta to hand off power to an elected government; the timeline extends a two-and-a-half-year timeline that ECOWAS and Europe had already condemned.



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

# Asia

---

- A new statement from Beijing said that **China** is looking forward to “*playing a role*” in the **Ukraine** crisis, a signal that it may be ready to be more active in negotiating a ceasefire.
- A delegation of former **US** defense and security officials arrived in **Taiwan**, drawing criticism from **China**.
- **Malaysia** said that it would block a **Russian** ship from docking in the country in an effort to comply with western sanctions.
- **South Korea** will temporarily lift a requirement for vaccine passes at businesses to ease strain on testing centers, a further step away from “COVID zero” in the country.
- **Australia’s** largest bank divested \$1.3 billion from a **Chinese** lender amid deteriorating Chinese-Australian relations.

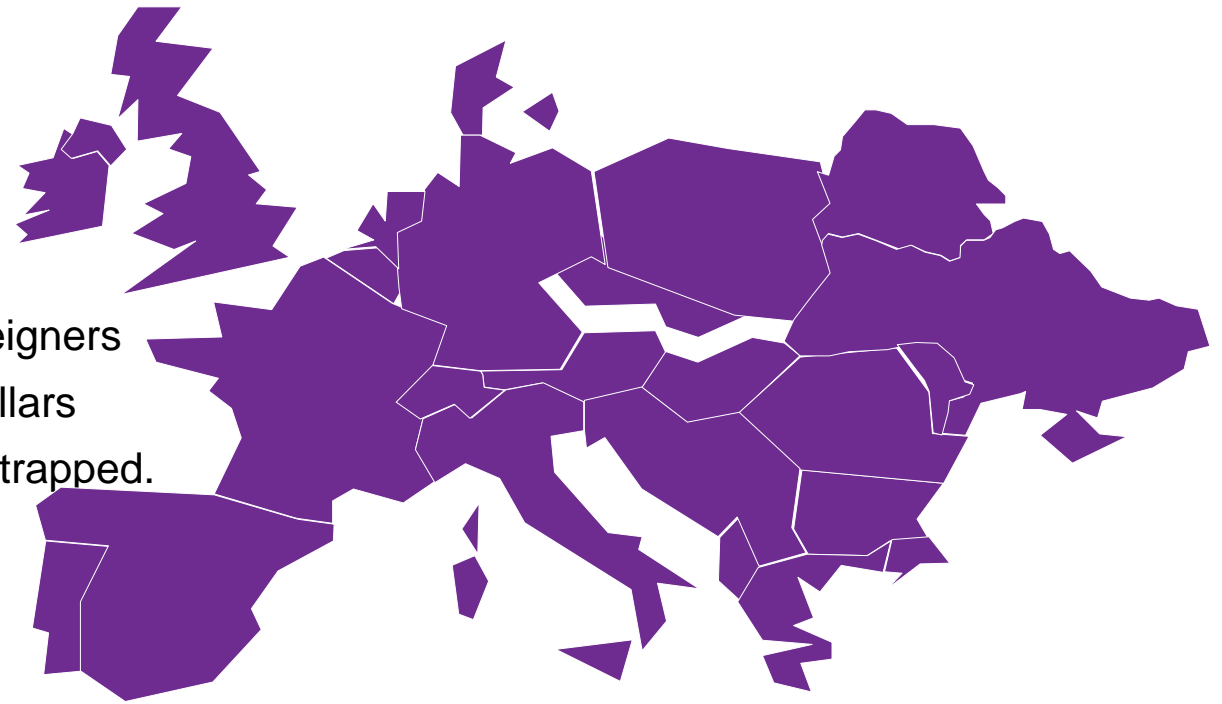




# Europe

---

- **Russia** on Tuesday placed temporary restrictions on foreigners seeking to exit Russia assets, meaning that billions of dollars worth of securities held by foreigners are at risk of being trapped.
- **Portugal** waived entrance requirements, and the **UK** relaxed visa rules, for **Ukrainian** refugees.
- A month out from **French** presidential elections, recent polls show Emmanuel Macron holding a large lead, with far-right candidate Marine le Pen leading a crowd of challengers.
- The **UK** revoked mandatory COVID-19 vaccines for healthcare workers.
- The **EU** will “reassess” whether to reimpose its budget rules in 2023 given the high economic uncertainty resulting from the war in Ukraine. The so-called General Escape Clause was due to be deactivated next year. The clause was invoked because of COVID-19, and it suspends the debt and deficit rules in the EU’s Stability and Growth Pact.



# 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

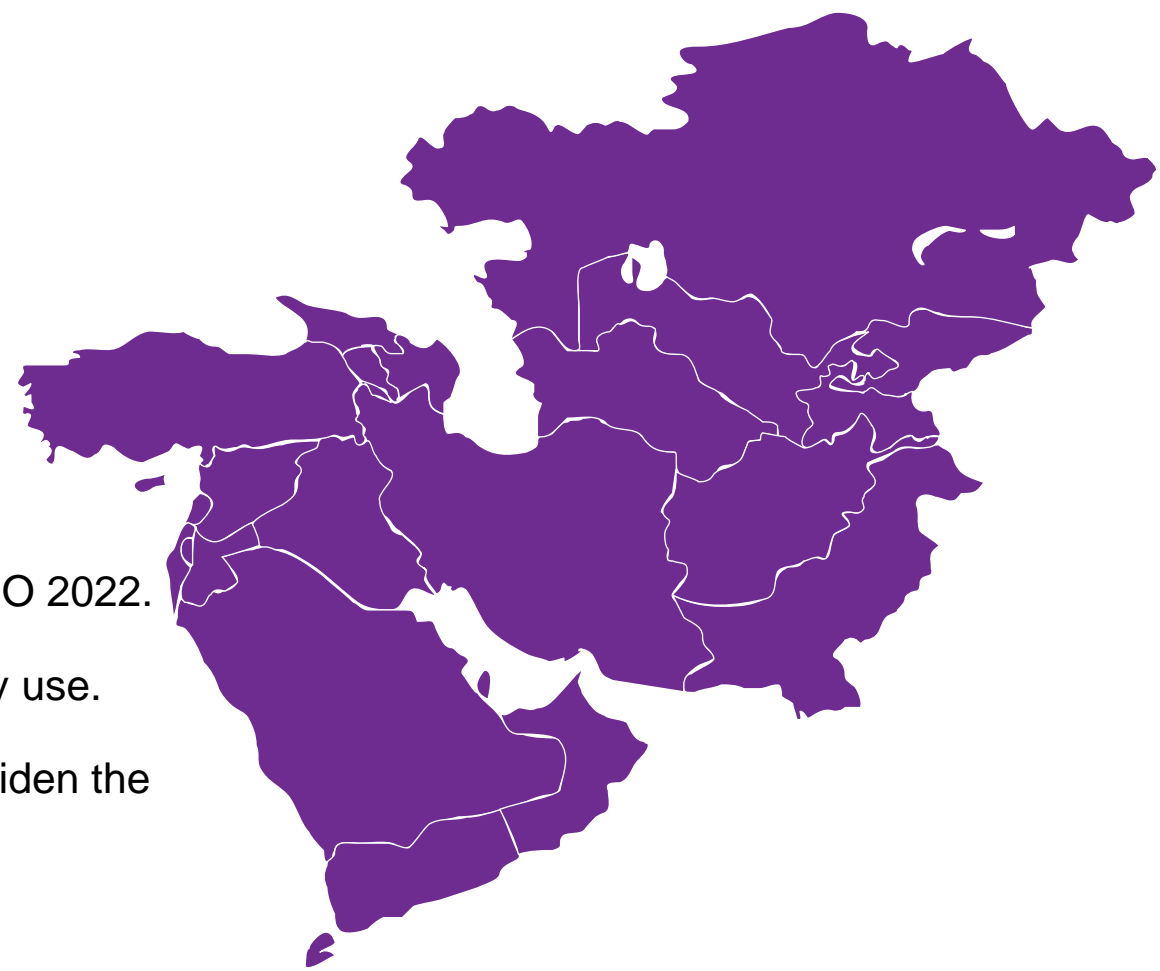
*All interaction with Dentons is attorney-client privileged*

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

# Middle East

---

- **Tunisia's** government raised fuel prices for the second time in a monthlong period in an attempt to combat its worst-ever financial crisis.
- **Dubai** ended its mask mandate for outdoor spaces at its EXPO 2022.
- **Bahrain** approved the French Valneva vaccine for emergency use.
- **Egypt** raised transit fees for the Suez Canal amid efforts to widen the waterway, citing an increase of trade.



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

# Americas

---

- **Canada** will shut its ports to **Russian**-owned ships later in the week.
- **Mexican** President Obrador said that the country would not impose economic sanctions on **Russia**, and denounced censorship of Russian media outlets. **Venezuela** and Russia discussed building on their strategic alliance in a phone call.
- **Canada's** Ontario province introduced legislation establishing a minimum wage and other protections for gig workers.
- **Mexican** workers at a US-owned autoparts plant overwhelmingly voted for an independent union, the second such success of an independent union in Mexico in recent weeks.



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

# Americas: US

- New York City announced that it will end its largest **contact tracing program** in late April.
- A new study led by the National Institutes of Health found that three **rapid antigen tests** commonly used in the US - Abbott BinaxNow, BD Veritor At-Home and Quidel QuickVue – are effective at detecting the Omicron variant.
- The Biden Administration released its annual Trade Policy Agenda, outlining a “realigned” **trade policy** with China that will develop new tools to combat Beijing’s harmful market practices, without clarifying details that business leaders have long called for.
- Americans’ **approval of President Biden’s** handling of the Ukraine crisis rose ten percent over the last week, to 43 percent.
- President Biden authorizes the release of 30 million barrels of **oil from reserves** to blunt rising gas prices.
- The **Ukrainian** ambassador to the US was the guest of honor at President Biden’s **State of the Union** address. During his speech, Biden drew bipartisan support for his championship of Ukrainian sovereignty and resistance to the Russian invasion. At least 11 states have banned the sale of **Russian** vodka.



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

# Will Russian Cyber Attacks Target the United States?

By Emilio Iasiello, Dentons' Global Threat Intelligence Manager

***As many predicted, Russia is executing cyber-enabled operations in the form of disruptive attacks as well as influence, disinformation, and propaganda campaigns targeting domestic, Ukrainian, and international audiences to complement its military operations. Of course, the cyber components to Russia's invasion started well before military forces crossed Ukraine's border and have since been used in the conflict.***

In mid-January 2022, Russia engaged in web page defacements against Ukrainian organizations as well as deploying WhisperGate malware, a destructive wiper masked as ransomware that overwrote infected systems.<sup>1</sup> WhisperGate successfully impacted several Ukrainian government agencies, as well as information technology-related organizations.<sup>2</sup> Prior to the invasion, Moscow also conducted distributed denial-of-service attacks (DDoS) against two of Ukraine's largest banks, as well as against targeted government organizations such as the Ministry of Defense, Ministry of Foreign Affairs, the Ukrainian Parliament, and the Security Service of Ukraine.<sup>3</sup> Moscow also started prepping the information space via nonstop influence and disinformation campaigns, using social media platforms to craft narratives of Western aggression.<sup>4</sup> Moscow is now purposefully blocking information (especially via social media

platforms) regarding events in Ukraine from the Russian population, while using state-run media channels to target domestic audiences with its own propaganda and messaging.<sup>5</sup>

At the onset of the invasion, Moscow unleashed the Hermetic Wiper malware. The malware has since spread in Ukraine, deploying on hundreds of computers throughout the country, as well on systems in Latvia and Lithuania.<sup>6</sup> Targets included financial organizations and government contractors, the latter of which appeared to be the primary victims in the two countries outside of Ukraine. On February 27, three days into the invasion, the Hermetic Wiper malware impacted a Ukrainian border station, the effects which slowed Ukrainian refugees escaping to Romania.<sup>7</sup>

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

# Will Russian Cyber Attacks Target the United States?

Moscow is continuing to refine its integration of disruptive attacks and information-enabled activities with conventional military maneuvers since its failed invasion of Georgia in 2008. In 2014, Moscow improved on them when it successfully annexed Crimea from Ukraine. In that engagement, Moscow used cyber attacks to shut down Crimea's communications infrastructure prior to entering the region, while focusing its information campaigns on international audiences as well as its own population. The multifaceted information campaign coupled with disruptive cyber attacks proved successful against Crimea without having to engage in military engagement. The current situation has not met with the same success.

There is concern that Moscow will conduct cyber attacks against the United States and potentially other countries in retaliation for stringent economic sanctions against Russia, as well as its ban on some Russian banks from the SWIFT global payments system. The Department of Homeland Security (DHS) issued a bulletin warning of potential Russian disruptive or destructive attacks against US critical infrastructures, particularly if a "US or NATO response threatened its long-term national security."<sup>8</sup> However, short of that response (which

President Biden has already made clear were "red lines" in a June 2020 meeting with Putin), Moscow will likely seek to inflict proportional economic damage it has suffered from sanctions and the SWIFT ban and look to cause similar effects against the United States' financial and/or energy sectors.

Instead of using its own state actors to accomplish this objective, Moscow could turn to nonstate resources to retaliate against the United States or any European country for enacting sanctions or supporting Ukraine. This may be the preferred course of action, especially if the conflict de-escalates. There is an aggressive and active patriotic hacker element in Russia, as well as a sophisticated cyber crime ecosystem that can retaliate on Moscow's behalf. Russian patriotic hackers were responsible for the 2007 DDoS attack against Estonia, and often rise to protect Russian interests during times of geopolitical unrest. In an interview with the BBC, one Russian hacker proudly admitted to helping take down Ukrainian websites "to help beat Ukraine." In addition, Moscow could encourage its proficient cyber criminal community that has already demonstrated its capabilities to exploit US critical infrastructure organizations to step up its attacks. Moscow may have recently

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

# Will Russian Cyber Attacks Target the United States?

---

arrested Russian ransomware operators, but it can easily unleash them as well. Russian ransomware groups like Conti, BlackCat, and CoomingProject are publishing messages in support of Moscow, and while they may follow a suggested target list, they also have some freedom to expand it at their discretion.

Organizations are encouraged to follow the guidelines and recommendations set forth in the DHS' Cybersecurity & Infrastructure Security Agency's Alert AA22-011A "Understanding and Mitigating Russian State-Sponsored Cyber Threats to Critical Infrastructure" in order to proactively prepare for potential fallout from Russian cyber attacks.<sup>9</sup> These mitigation recommendations are provided by DHS to enhance cyber resilience by reducing the risk of being impacted by severe business degradation.

- 
1. <https://medium.com/s2wblog/analysis-of-destructive-malware-whispergate-targeting-ukraine-9d5d158f19f3>
  2. <https://www.recordedfuture.com/executive-overview-of-russian-aggression-against-ukraine/>
  3. <https://www.helpnetsecurity.com/2022/02/24/cyber-attacks-ukraine/>
  4. <https://www.washingtonpost.com/politics/2022/02/14/social-media-is-key-battleground-russia-ukraine-standoff/>
  5. <https://www.theglobeandmail.com/world/article-russia-wages-information-war-over-ukraine/>
  6. <https://www.wsj.com/livecoverage/russia-ukraine-latest-news/card/malware-detected-in-ukraine-as-invasion-threat-looms-NaVfMTy8x0v41PyZNuzo>
  7. <https://www.bbc.com/news/technology-60528594>
  8. <https://publicintelligence.net/dhs-ukraine-invasion-cyber-attacks/>
  9. <https://www.cisa.gov/uscert/ncas/alerts/aa22-011a>



# Ukraine War Update: Russian Tactics, Refugees Flows, Business Exits

---

***For a seventh day, Russia continues to advance its offensive in Ukraine, undeterred by international sanctions and diplomatic censure. The US assessed that 80 percent of the Russian forces Moscow had amassed on Ukraine's borders before last week's invasion have now entered Ukraine.***

## ***Political Developments***

A second round of Ukrainian-Russian talks are scheduled to be held Wednesday evening. Conditions are not ripe for concluding a ceasefire but are useful for fleshing out the diplomatic terrain for potential terms of agreement.

The European Commission announced today it will give temporary residence permits to the refugees fleeing Ukraine and allow them the right to education and work in the 27-nation bloc. The move still must be approved by the member states, which is likely to be forthcoming. The majority of refugees have escaped to Poland, Hungary, Moldova, Romania and Slovakia. According to the UN, nearly 800,000 people have fled Ukraine.

The UAE has suspended visa-free travel for Ukrainian tourists to this Middle East trade and tourism hub, after abstaining from a UN

Security Council resolution last week condemning the Russian invasion. The Arab Gulf states are pursuing a hedging strategy based on preserving oil interests and trade with Russia and China.

An overwhelming majority of EU parliament backed the idea with a non-binding resolution, demanding Ukraine receive candidate status in line with the EU treaties and a "merit-based" approach. However, accession process is a complex and arduous and can drag out over years, if not decades. The EU is likely to grant Ukraine formal status as a membership candidate and continue to deepen political and economic relations. Russia will see the move as a threat and added justification for the invasion.

US President Biden used the annual State of the Union address to champion Ukrainian sovereignty and praise the Ukrainian people for their resistance to invading Russian forces. Biden declared that

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

# Ukraine War Update: Russian Tactics, Refugees Flows, Business Exits

*“Putin is now isolated from the world, more than he has ever been.”* Biden also announced that the US had closed its airspace to Russian aircraft.

Austria, one of the European countries most traditionally sympathetic towards Russia, will break with 60 years of official neutrality, with the Austrian president scheduled to address his nation to call on Russia to withdraw from Ukraine.

## **Battlefield Developments**

For a seventh day, Russia continued to advance its offensive in Ukraine, undeterred by international sanctions and diplomatic censure. The US assessed that 80 percent of the Russian forces Moscow had amassed on Ukraine’s borders before last week’s invasion have now entered Ukraine.

The Russian offensive against Kyiv continues to stall due to logistical challenges. The plan appears to envelope the city and lay siege. Ukraine has called on assistance to bomb the convoy, but NATO has declined. NATO also will not impose a no-fly zone over the country as that would effectively mark a declaration of war by NATO on Russia.

In the east, Russian forces bombarded Kharkiv with air, missile and artillery, dramatically increasing damage to civilian infrastructure and



Source: Institute for the Study of War

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

# Ukraine War Update: Russian Tactics, Refugees Flows, Business Exits

civilian casualties. Russian forces are setting the conditions for a renewed ground offensive sometime in the next 24-48 hours.

Russia said its forces took control the first sizable city on Wednesday, Kherson, in the south just north of Crimea, which would position forces to move to take Odessa. Russian troops claimed control of the railway station and the port during the night. The city's Ukrainian mayor disputed the claim, saying the town was still under Ukrainian control.

The southeast city of Mariupol had been under intense shelling since late Tuesday.

Belarusian troops were put on alert and could join the invasion shortly as the Ukrainian intelligence noticed "significant activity" of Minsk aircraft and supplies near the border.

## ***Economic and Commercial Developments***

Russia's financial markets will remain largely closed for a third straight day, as national authorities keep trying to stem the financial fallout from sweeping international sanctions.

China opposed unilateral financial sanctions and said it will not participate in such sanctions imposed by Western nations on Russia. China analysts, however, believe that large Chinese banks will seek to avoid falling afoul of sanctions. China faces significant risks by not aligning to western sanctions, particularly in alienating the EU which is its biggest market for trade.

Major multinational companies continue to reassess their operations in light of international sanctions on Russia.

Exxon Mobil joined other major Western energy companies including British BP PLC and Shell in announcing it would quit oil-rich Russia over the invasion. Exxon Mobil operations in Russia are valued at more than \$4 billion and include three large offshore oil and gas fields with operations based on Sakhalin Island on behalf of a consortium of Japanese, Indian and Russian companies that included Russia's Rosneft.

Energy major Total and Swiss miner and commodities trader Glencore both said they are reassessing their operations in Russia. UK gas producer IOG canceled a contract to supply gas to a subsidiary of Gazprom.

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

# Ukraine War Update: Russian Tactics, Refugees Flows, Business Exits

---

Maersk and MSC, the world's largest shipping groups, suspended cargo bookings to and from Russia, a move likely to further snarl supply chains.

US airplane manufacturer Boeing said it was suspending parts, maintenance and technical support for Russian airlines. Airbus has also stopped providing support services to its customers in Russia and halted the supply of spare parts for its aircraft.

Ford Motor Co informed its joint venture partner Sollers it is immediately suspending operations in Russia. Ford also said the Ford Fund is making a \$100,000 donation to the Global Giving Ukraine Relief Fund for humanitarian aid to assist displaced Ukrainian citizens and families. Apple and Dell Technology stopped all product sales in Russia.

Russia's largest bank, Sberbank Group, said it was pulling out of the European market after being hit by massive financial sanctions. The Austrian unit of Sberbank collapsed yesterday, becoming the first banking victim of the sanctions after they caused a run on the bank and left its parent unable to help. The speed of the bank failure caught European regulators off-guard.

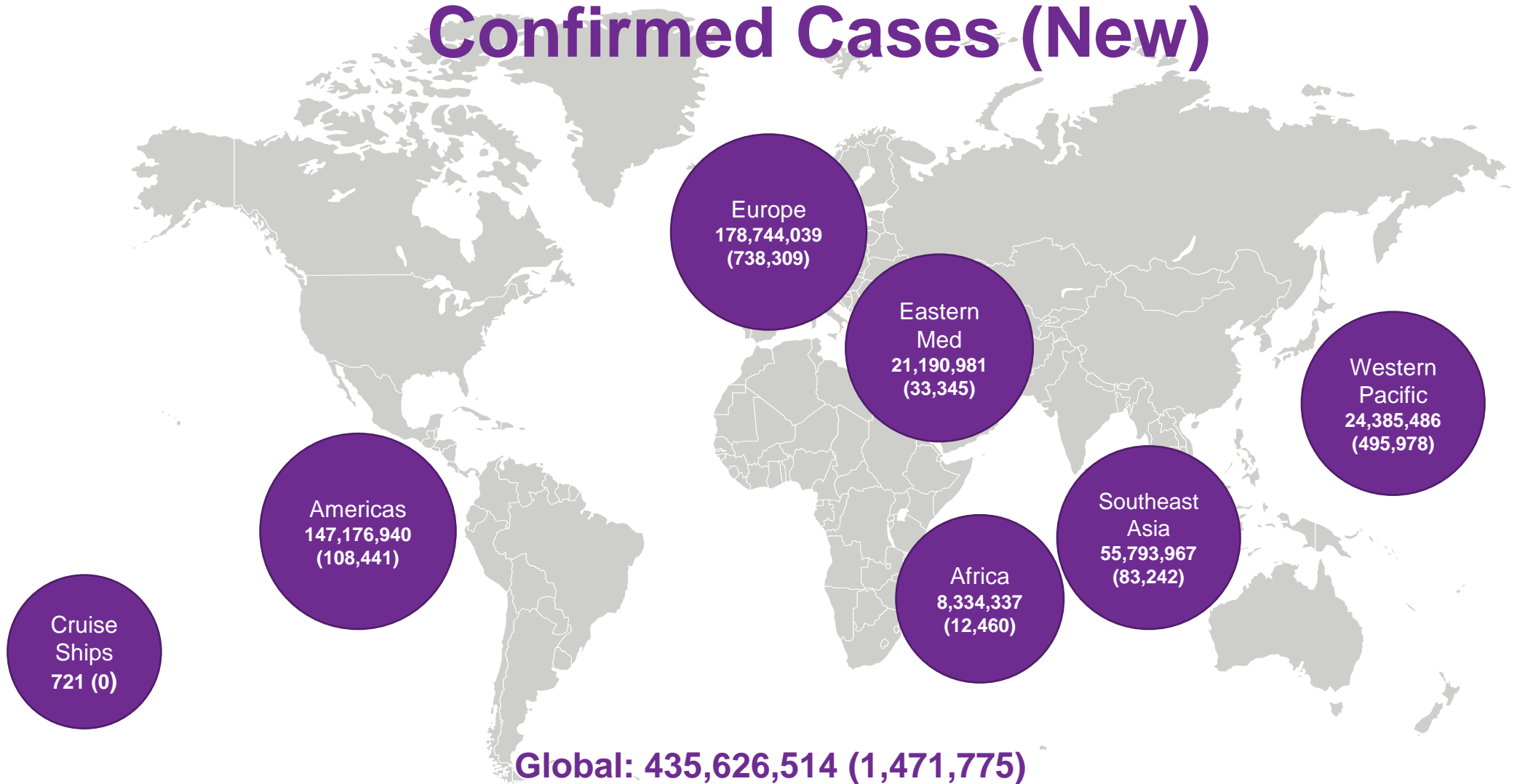
Russia's government is to make gold purchases tax free in an effort to encourage its citizens and businesses to invest in precious metals rather than foreign currencies. Russians have emptied ATMs of dollars and other foreign currencies in order to protect their savings.

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

# Coronavirus Condition Updates

As of 5:37 pm CEST on March 1, 2022

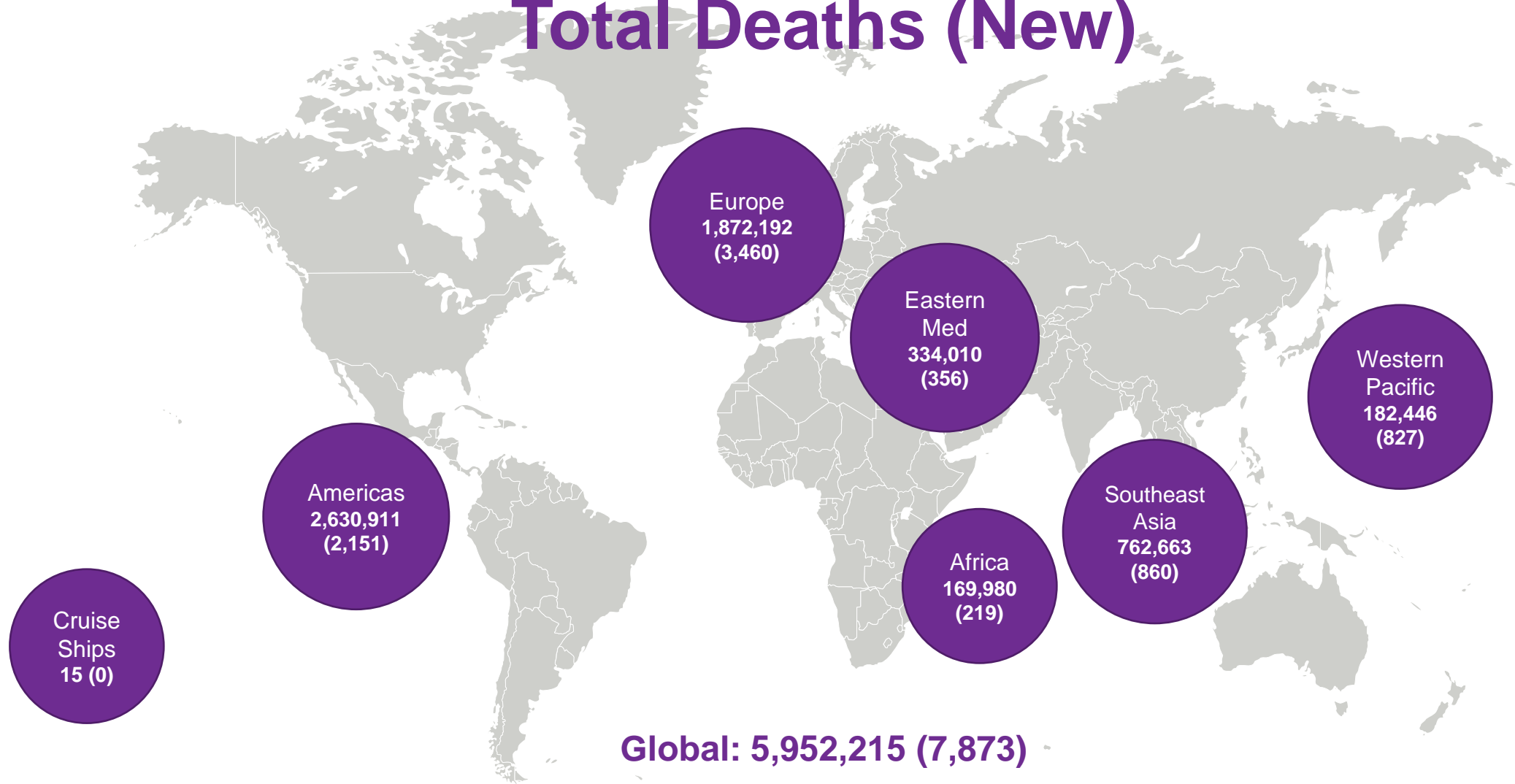
# Confirmed Cases (New)



Reflects data as of 5:37 pm CEST on March 1, 2022.  
Data Source: World Health Organization

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

# Total Deaths (New)



Reflects data as of 5:37 pm CEST on March 1, 2022.  
Data Source: World Health Organization

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



# 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.*

## **Karl Hopkins**

Partner and Global Chief Security Officer  
Dentons  
Washington, DC

D +1 202 408 9225  
[karl.hopkins@dentons.com](mailto:karl.hopkins@dentons.com)

## **Melissa Mahle**

Senior Analyst  
Dentons  
Washington, DC

D +1 202 408 6383  
[melissa.mahle@dentons.com](mailto:melissa.mahle@dentons.com)