Measures and potential impacts of COVID-19

Introduction
The coronavirus crisis is posing unprecedented global challenges for society and the economy. Every country and every industry in the world is affected by the impact of the pandemic. ENERCON, too, is in coronavirus crisis mode until further notice.

The company has proactively taken comprehensive measures to guarantee the health of its employees is protected as best as possible and to ensure the company can continue to conduct business in this unique situation. A number of crisis teams are reviewing the situation worldwide to ensure they can react immediately to new developments. ENERCON’s objective is to mitigate the inevitable impact if the dynamic situation intensifies further and limit potential damage.

Organisation of ENERCON Crisis Management
ENERCON is doing everything in its power to face the challenges posed by the development of the COVID-19 outbreak. The company has implemented a global Pandemic Management Plan and global Business Continuity Management as part of its global Crisis Management, which is closely monitoring the spread of the coronavirus across countries and regions and its impact on ENERCON.

A number of function-specific crisis teams have been set up, focussed on critical divisions such as Project & Logistics Management, Supply Chain, Service, Production and Purchasing. The global ENERCON Crisis Management, headed by competent and experienced crisis managers, is constantly monitoring the situation across the world to ensure it can react immediately to new developments. Supply chains, project progress, critical processes and the number of staff taking sick leave will be continuously monitored. Particular attention will be paid to the statements issued by the authorities, especially the Robert Koch Institute (RKI). ENERCON will implement its guidelines and recommendations regarding the coronavirus situation without delay.

Management and employees are provided with regular and comprehensive information every day based on the current state of developments.

The Pandemic Management Plan and the Business Continuity Management both form the basis for a wide range of measures ENERCON has taken to safeguard business activities in light of the coronavirus:

a. Identification of critical processes
b. Identification of key employees
c. Identification of key suppliers
d. Check of supplier statuses to assess abidance by pandemic plans
e. Planning of physical separation of teams to prevent potential infection and 14-day quarantine for persons displaying symptoms (e.g. by working from home)
f. Specification of travel restrictions, hygiene measures and rules of conduct
Measures against potential impacts of coronavirus

Work processes switched over to remote working
ENERCON started preparations at an early stage to ensure a large part of the global workforce can work remotely without problems. It provided the necessary resources, employees were given instructions, and finally a test run was carried out on a large scale before employees switched to home office/remote working in several stages. Around two thirds of employees worldwide (approximately 4,000 employees) are now working from home without any notable disruptions.

By prioritising the critical processes previously identified, ENERCON can ensure that essential services are still performed. Where necessary, this is done in line with official requirements from the authorities that are based on ENERCON’s position as a supplier of critical national infrastructure services.

In addition, ENERCON is working together with customers to negotiate the provision of key services that meet the requirements of both organisations. It is actively providing customers with regular updates on the situation where this is necessary.

Strict rules of conduct for skeleton staff
As a precaution against the further spread of the virus, ENERCON has issued strict rules of conduct for the skeleton staff continuing to work at the sites in accordance with up-to-date instructions and recommendations by the authorities. These include:

- Reducing the amount of employees at sites by approximately two thirds
- Closing canteens
- Switching meetings over to telephone and Skype conferences
- Instructing employees to avoid face-to-face contact wherever possible, and to comply with the minimum distances and the maximum permissible group sizes ordered by the authorities (separation of employees in their offices)
- Instructing employees to follow rigorous hygiene procedures
- Ordering disinfection of premises as an additional hygiene measure

By taking these measures, the company is ensuring that there is enough space and physical distance between the employees remaining in the offices and workplaces, and that the rules of conduct issued by the authorities and Robert Koch Institute (RKI) to protect the population are implemented. The conditions for the skeleton staff to work at the sites are thus fulfilled from a health perspective.

ENERCON-wide travel restrictions
A ban on all air travel is already in force across the whole of ENERCON. The ban on travel to China and high-risk areas as defined by the Robert Koch Institute (RKI) will remain until further notice. Furthermore, local crisis management teams will stipulate travel restrictions for their specific ENERCON market. Until further notice, a general ban on all travel applies for staff employed at German companies.

ENERCON is able to perform its services with travel reduced to an absolute minimum. Alternative methods will be used to maintain business continuity as far as possible (alternative means of communication, use of local ad-hoc resources, etc.). Special approval can be granted in exceptional cases for trips that have no alternative and that would incur losses for the company if cancelled.
Preparation for potential impacts on supply chains and realisation of projects

There is currently reduced production capacity due to local quarantine regulations in afflicted countries. Some global transport routes are affected by the border closures, travel restrictions and confinement measures, etc. put in place by a number of countries.

However, in our view (status: 23 March, 2020), there is only a limited global supply risk, as the availability of substitutes was reviewed and ensured at an early stage. If there is no option to revert to substitutes, it is possible to fall back on existing stock in some cases. At the current time, there is no general disruption to ENERCON’s supply chains and thus no general negative impact on project progress as a result of the coronavirus.

However, ENERCON cannot rule out that continued impairment from the effects of coronavirus could have an impact on critical supply chains and processes. If, for example, existing border closures remain in place and the travel restrictions ordered are extended to include domestic travel bans to a number of ENERCON’s markets, this could have a negative impact on these supply chains and processes – contrary to the statement made above. In this event, ENERCON will work closely with its customers and suppliers to identify critical processes and negotiate a level of service that reconciles the requirements and the restrictions that apply at this time.

Global Procurement and the crisis team have coordinated to contact ENERCON’s main suppliers and ask for detailed information on their supply capability. The company is in constant contact with these suppliers so that it can learn about any interferences to production or supply for the components immediately. The supply of materials to the production partners and suppliers is also monitored on a daily basis.

In order to be able to identify any disruptions to supply chains or processes immediately and take appropriate countermeasures, ENERCON is also carrying out project-specific and construction site-specific tracking of installation processes across the world. The crisis team has already prepared the following measures to enable it to react quickly if necessary:

- Implementing alternative logistics chains in order to keep possible delivery delays resulting from closures to a minimum
- Actively postponing construction projects where there are already foreseeable delays
- Monitoring of local transport restrictions closely and rescheduling teams early where necessary
- Daily monitoring of material supply to construction sites
- Moving finished components to external warehouses/ports at an early time

Safeguarding the restructuring programme

ENERCON has set up a Task Force to safeguard the company’s ongoing restructuring programme during the coronavirus crisis. It has performed an analysis to assess possible risks for the reorientation. According to the results, the majority of the project teams in the divisions can work remotely on the implementation of the turnaround programme with virtually no restrictions during this unique situation.

However, delays to the progress of projects are possible for specific packages of measures if the coronavirus crisis continues to intensify, due in particular to their dependency on external factors. The Task Force has worked together with the crisis team, the divisions, and Management to develop solution strategies for this eventuality.
Summary
Like all other industrial companies across the world, the situation has forced ENERCON into reaction mode. However, the global Crisis Management is anticipating a variety of possible scenarios and is proactively preparing for them. The company is therefore confident that severe and targeted measures to safeguard employees’ health and the company’s operational capacity to act will succeed in alleviating the inevitable impact if the dynamic situation were to intensify further.