



May 22, 2020

P&G External Business Partners:

This is to provide you an update on some relevant topics that are part of the evolution of COVID-19 around the world.

The evolution of the pandemic is in a very different stages by Region and by Country. While some them are still in the middle of the crisis, others have already started their journey for restarting social and economic life. Governments are taking different approaches and creating their own maps that will guide their actions over the next months. It seems that a phased approach is the prevalent strategy for those in the reopening phase, allowing for adjustments at the Country or local levels as events unfold and new information emerges.

Every Site in P&G that has people working from home will follow the P&G Corporate and Governmental guidance to transition from Work from Home to Work from Office (WFO). Consistent with our entire response to COVID-19, the health and safety of everybody at the Sites is our top priority and we are managing these processes using a staged approach. Safety measures will be in place and in practice at all sites (i.e. the use of masks, physical distancing, etc.). It is important that everyone entering a P&G building follow the Site's specific procedures to ensure a safe environment for everyone. As per previously communicated, there is a process in place to notify when an EBP's employee (or an employee of any of the EBP's sub-contractors) assigned to work at a P&G site is potentially ill and/or has been exposed to the COVID-19 virus. We appreciate your cooperation with strictly following every Site's protocols.

I also want to take this opportunity to thank you for participating in the "Getting Stronger after COVID-19 Survey for External Business Partners", we had about 500 responses to the survey. Thanks to everyone who responded and provided feedback on their experience with P&G during the COVID-19. Following are some of the survey highlights:

- Collaboration and Partnership: 85% of the respondents are either satisfied or very satisfied with the level of collaboration with P&G in the recent months vs. pre-COVID-19. ~40% provided inputs on what P&G should start to do to improve collaboration. ~50% of which highlighted the need for improved (quality and timeliness) volume forecast/plans.
- Decision Making, Information Sharing and Communication: 60% of the respondents believed the weekly communications in the Supplier Portal provided value to make faster decisions. 67% agreed that they were informed in a timely manner about business needs. 71% agreed that they received sufficient information on order, shipping and billing. ~85% of the respondents have noted a difference in the decision making and expressed to continue the agility, communication and collaboration done during the COVID-19 situation.
- Structure and Flexibility: 63% agree that P&G applied an increased level of flexibility to accommodate their needs and help their ability to serve.

Your respective P&G Supplier Relationship Owners will receive a comprehensive summary of the survey. I recommend you engage with them to discuss specific areas of improvement as well as those that we should carry on moving forward. Once again, I very much appreciate your feedback – we will get stronger together.

You can find below the global and regional key developments based on the most recent COVID-19 Government information.

Thanks for your continuous support and partnership.

Best Regards,
Ana Elena Marziano
P&G Chief Purchasing Officer

KEY DEVELOPMENTS:

US Federal Update

- CDC: [issues detailed reopening guidance](#); document expands on tools the agency released last week

US State Update

- **New Mexico:** Gov. Grisham announced that the state [stay-at-home order will be extended through May 31](#)

Canada Update

- Dr. Theresa Tam [recommends non-medical masks](#) when people can't maintain physical distancing as provinces look to reopen, says face coverings should be in addition to existing public health measures.
- Applications open for government loans to aid [big businesses taking financial hit](#) from COVID-19.
- Canada's [inflation rate turned negative](#) in April for first time since 2009.
- Ontario recommends masks for public transit riders.
- Exterior gatherings will be allowed in Quebec as of Friday under strict conditions: No more than 10 people can take part and they must come from a maximum of three homes or families.
- Epidemiologists are bracing for a potential second wave of COVID-19, which may come in September.

Latin America Update

- **Argentina:** 8809 cases, 394 deaths, 2933 recovered. Lockdown extended until May 24th but easing restrictions in provinces where there have been few cases and less populated areas, not likely Buenos Aires. Maximum prices regulation (applies to all P&G products) extended until June 31th. This means that P&G cannot pass a new list price to retailers until that date and should keep the last one (from November 2019). Most likely to continue the lockdown but some activities will reopen (private construction and other commercial activities) as long as the health system can respond. The government paid part of the private sector employees' salaries in April (about 1.3 million people) and announced it will do so again in May. Unions and companies have agreed on suspensions and salary reductions to prevent a massive spike in unemployment. Prohibition to terminate or suspend employees has been extended for 60 more days. Concerns over a default, low real interest rates and high monetary issuance have led to a continued weakening of the exchange rates companies and individuals can access. The difference between the official exchange rate (for imports) and the unofficial (for individuals in parallel markets) is almost 100% because of the uncertainty regarding the external debt as well as the pandemic.
- **Brazil:** 271,628 cases. 6.4% growth in 24 hours (increased from 254,220 to 271,628: 17,408 new cases). 17,971. 6.5% growth in 24 hours (increased from 16,792 to 17,971: 1,179 new cases) registered. Law 103,999/20, which creates a program to support small businesses, has been published. It includes special credit lines with government guarantees. In return, favored companies will not be allowed to lay employees off. An extraordinary credit line of BRL 5.3 billion has been opened for the Ministry of Health, for use in fighting the pandemic. The creation of a bank account to provide loans to energy distributors to cover deficits or anticipate revenue has been authorized. The operations' costs will be forwarded to the Energy Development Account (CDE) and paid by consumers via extra fees. The Brazilian Electrical Energy Agency (ANEEL) will be responsible for regulations. The House Floor approved Bill 1562/20, which makes the use of masks mandatory throughout the country. The bill mandates that employers provide masks to employee in businesses that involve contact with the public. The Bill will now proceed to the Senate. The House Floor also approved Bill 1194/20, which regulates the donation of unsold food by businesses, seeking to minimize waste. The Bill will return to the Senate for analysis due to changes made in the House. The states of Ceará, Sergipe, and Bahia and the municipality of João Pessoa extended the suspension of commercial activities until the end of May. 13 states have already extended their restrictive measures. After the states of Piauí and Maranhão and the municipality of São Paulo adopted the measure as a tool to boost social distancing, other governments have proposed or announced the possibility of adopting similar measures, such as the state of Espírito Santo and the city of Santos. (source: Patri)
- **Mexico:** 54,346 cases and 5,666 deceased. Non-essential travel across the pedestrian border between the US and Mexico is suspended until June 22, this does not impact trade. Consulates of Mexico in the US will start gradual reopening. Minister of the Interior stated that although enforcement of safe distancing protocols for economic activities corresponds to the Ministry of Labor its vigilance will be up to State and Municipal authorities. Mexico City and the State of Mexico announced its reopening plan; however, they have not been published yet. They both anticipated that there are no clear dates as to full reopening of the economy, conditions will depend on contagion numbers. FX closed at \$23.60 pesos per USD.

- **Venezuela:** 131 new cases tested positive yesterday, for a country total of 749 cases (+281 just in the last 4 days). The country case breakdown goes as follows: 253 patients already discharged; 486 patients remain hospitalized (237 at Comprehensive Diagnostic Centers / 234 at public hospitals / 15 at private clinics); and NONE at home isolation. Still only 10 deaths recorded. 99% of the patients are asymptomatic or have mild respiratory insufficiency. Authorities claim most of the new cases are imported from Venezuelan citizens returning from Colombia. According to local authorities, 616,562 tests have been carried to far in Venezuela. Venezuelans returning home will be subject to a 2-week quarantine period at the border entry posts before being allowed to resume their travel back to their respective domiciles.

Europe Update

- **Dutch** Prime Minister Mark Rutte announced Wednesday evening that it is “responsible” to go ahead with easing lockdown measures, as outlined in a broader exit strategy two weeks ago. That means starting June 1, restaurants, cinemas and theatres can open again for a maximum of 30 guests (excluding employees). Bars may also open their outdoor seating areas, as long as guests are seated at tables and keep 1.5 meters apart.
- Sebastian Kurz, **Austria’s** Chancellor, announced on Wednesday that Austria, the Netherlands, Denmark and Sweden will be presenting a loan-based Recovery Fund Plan (for dealing with the economic fallout of the pandemic) as a counter-proposal to the French-German grant-based proposal announced on Monday.
- **Estonia** has started testing a digital immunity passport created by a team including founders of the payments start-up Transferwise and transport platform Bolt. The passport works by collecting testing data and enables people to share their immunity status with a third part like an employer via a QR code.
- On Tuesday, the **Bulgarian** government announced it has agreed with neighbours Greece and Serbia to ease some travel restrictions imposed to contain the spread of the coronavirus. From 1 June, people who travel between these two countries for business, family or humanitarian reasons will be exempted from the mandatory two-week quarantine. Similar conditions could apply to Austria and Germany in the near future.
- **French** Foreign Affairs Minister Jean-Yves Le Drian said on Tuesday the country hopes to begin easing its border restrictions with EU countries from 15 June. He added any changes would be on the basis of a reciprocal arrangement with France’s neighbours.

AMA Update

- **Botswana:** 25 confirmed cases, 17 recoveries, 1 death. President Dr. Mokgweetsi Masisi and his entourage will be subjected to a 14-day quarantine, his third consecutive quarantine, after attending the Extraordinary Summit of Heads of State and Government of the SADC Organ on Politics, Defence, and Security Cooperation (Organ) Troika in Harare, Zimbabwe.
- **Ethiopia:** Remain one of the least impacted countries in East Africa with 365 confirmed cases, 120 recoveries and 5 deaths. A state of emergency lasting five-months was imposed by the Prime Minister Abiy Ahmed led government. All land borders have since been shut as a virus control measure with a raft of restrictions and enforcement of physical distancing and mask wearing measures. Elections planned for May this year were also postponed due to the pandemic. Last week, police in the capital city of Addis Ababa began an operation aimed at enforcing the wearing of face masks, eventually arresting over 1,300 people in the process.
- **Myanmar:** Reported 8 new cases among returnees from Malaysia. The new cases were detected in five different places from 120 people who flew back from Malaysia this month. The total number of cases stands at 191 with 6 deaths. The Central Committee on Prevention, Control, and Treatment on the Covid-19 announced that schools across the country will be reopened in July. When schools are reopened, the Ministry of Education will make sure there is a safe distance between each student with a minimum distance of 3 to 6 feet while planning to provide two face masks and one face shield to each student. There will be more teaching hours for teachers as students will be divided into two groups and taught in different schedules. The schools now used as community-based facility quarantine centers will have to be disinfected and handed back to the Ministry of Education by June 15.
- **Singapore:** 29364 confirmed cases, 10365 recovered, 22 deaths. Singapore reported 570 new Covid-19 cases, 2 of them are Singaporeans and PRs. There are signs recently that the Covid-19 situation in Singapore could be stabilising amid the circuit breaker. The number of patients discharged has exceeded new patients in the past week, while the average number of new daily cases in the past week for Singaporeans, PRs, long-term pass holders and work permit holders outside dorms has fallen compared with two weeks ago. Singapore's circuit breaker will formally end on June 1 and the economy would then be reopened gradually in three phases. PM Lee shared that while the circuit breaker has been successful in limiting the spread of COVID-19, Singapore cannot revert to status quo ante. The task force outlined the broad plan to transition Singapore in phases out of its period of stringent measures eventually into a new normal. This will remain until an effective vaccine or treatment for Covid-19 is developed. Health Minister Gan Kim Yong also noted that phases could be rolled back should the outbreak flare up again.

1st Phase (Safe Reopening):

- More people will be allowed to return to their workplaces, with priority given to critical sectors and businesses that operate in settings with lower transmission risks.
- Those who are working from home should continue to work from home.
- The first phase is expected to last a few weeks and Singapore will move into the second phase if community transmission rates remain "low and stable" and the dormitory situation remains under control.
- Minister Lawrence Wong mentioned that as ridership on public transport increases, commuters will have to wear masks and refrain from talking on the phone or to one another when taking buses and trains, to avoid spreading droplets in an enclosed space. Businesses will also be required to stagger their working hours to minimise travel during peak periods.

2nd Phase (Safe transition):

- People will gradually be able to resume more social activities.
- Employers must implement safe distancing measures and ensure that those who can work from home continue to do so.
- Health Minister says the second phase could last several months.

3rd Phase (Safe Nation):

- In the third phase, Singapore will move to a "new normal" until a vaccine is found.
- **South Africa:** 17200 confirmed cases, 7960 recoveries, 312 deaths. The National Coronavirus Command Council and the Cabinet have approved the reopening of schools on June 1, 2020. Independent and public schools will open in all areas including in the metropolitan areas. In line with this policy, the Minister for Education has directed all schools to adhere and observe the health and safety protocols that will be put in place. Grades 7 and 12 will lead the way.
- **South Korea:** Reported 32 new cases with no death including 8 new cases from overseas, bringing the nation's total infections to 11,110. New cases rose by the highest number in 9 days amid looming mass infections at a major hospital in Seoul and a rise in nightclub-linked cases. Concerns about yet another cluster of infections emerged, as 4 nurses working at one of 5 major general hospitals, were infected with COVID-19. Health authorities said more related cases are likely to spring up, as transmission routes are unknown.

Government Measures: Finance Minister said South Korea will step up efforts for an economic recovery after the coronavirus pandemic as the nation is returning to normal activities. Schools finally reopened today after a months-long closure due to the coronavirus pandemic. According to the association of high school student presidents, many high school seniors are voicing opposition to physically attending schools due to lingering safety concerns over the possible spread of the COVID-19 in classrooms. Moon administration's move to speed up reshoring came amid elevated concerns of global value chain disruption brought on by the pandemic. An official from the Federation of Korean Industries said businesses will have no reason to return unless the government overhauls "outdated and growth-stunting" regulations.

- **Thailand:** Prime Minister announced that the government had approved a plan to restructure Thai Airways' finances through a bankruptcy court. The plan replaces a previous proposal of a government-funded rescue package.
- **Vietnam:** Confirmed cases now 324, recoveries 264, and zero deaths. The Vietnamese Chamber of Commerce and Industry proposed to Prime Minister to suspend M&A deals during the pandemic to protect domestic enterprises, who are under financial stress, from foreign takeover. Data from Ministry of Planning & Investment showed the number of newly-registered foreign direct investment (FDI) projects in the first four months decreased 10% IYA to 984, but deals in the forms of share purchase and capital contribution increased 33% to 3210. Japan, South Korea and China were the most active investors with deals increasing 40% year-on-year, of which Japan ranked first with \$743 million, followed by South Korea at \$365 million. Foreign investors are eyeing processing and manufacturing industries with 822 deals worth more than \$1 billion, wholesale and retail, automobile and motorbike repair services with more than 1,000 deals worth \$500 million.