



April 17, 2020

P&G External Business Partners:

We value your partnership during these difficult times, and we appreciate your support to continue to produce products that make a big difference in people's lives.

As per our commitment to share our best practices and information, this is to provide you with updated Global and Regional developments related to COVID-19. We hope this content can assist you in developing the business strategies behind every one of your operations.

Despite immense challenges, today, P&G reported third quarter fiscal year 2020 net sales of \$17.2 billion, an increase of five percent versus the prior year. Excluding the net impacts of foreign exchange, acquisitions and divestitures, organic sales increased six percent. Diluted net earnings per share were \$1.12, an eight percent increase versus the prior year. Core earnings per share increased 10% to \$1.17. Currency-neutral core EPS increased 15% versus the prior year.

Operating cash flow was \$4.1 billion for the quarter. Free cash flow productivity was 113%. The Company returned \$2.8 billion of cash to shareholders through \$1.9 billion in dividend payments and \$900 million of common stock repurchases in the third quarter. Over the last 10 years, P&G has returned over \$120 billion to shareholders in cash dividends and stock repurchase. Earlier this week, P&G announced a 6% increase in the quarterly dividend, marking the 64th consecutive year the Company has increased its dividend. P&G has been paying a dividend for 130 consecutive years, since its incorporation in 1890.

"The strong results we delivered this quarter are a direct reflection of the integral role our products play in meeting the daily health, hygiene and cleaning needs of consumers around the world," said David Taylor, Chairman, President and Chief Executive Officer. "Our organization has been doing a terrific job against our near-term priorities – protecting the health and safety of each other, maximizing availability of P&G products to meet heightened consumer need and helping society meet and overcome the challenges of this crisis."

We are deeply grateful for all you are doing to keep your operations running while ensuring the health and safety of your employees during these challenging times. We will continue to win together, as we always have and will.

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

KEY DEVELOPMENTS:

Global Update:

- G7 leaders agreed Thursday to [coordinate the reopening of their economies](#) after the coronavirus pandemic and to ensure "trusted supply chains" in the future
- Prime Minister Justin Trudeau said Thursday that there is still a ["significant amount of time" left before restrictions on nonessential travel at the U.S.-Canada border are relaxed](#)
- As much of the world mulls gradually lifting lockdowns, these four countries that got it right. [Here's how](#)
- IMF warns of new waves of [social unrest in some countries](#) if government measures to mitigate the pandemic are seen as insufficient or unfairly favoring the wealthy; expects global public debt to rise by 13% in 2020 to almost 96% of global GDP

- The pandemic could drain developed nations' fiscal revenues, [triggering sovereign debt crises](#); could quickly spread to emerging markets, sending the global economy into a second recession

US Federal Update



Guidelines for Reopening.pdf

- Trump unveils [phased approach to reopening economy](#) (guidelines in PDF)
- **Commerce Department:** reports [US retail sales plummeted 8.7% in March](#), an unprecedented decline; auto sales dropped 25.6%, while clothing store sales collapsed sliding 50.5, restaurants and bars reported a nearly 27% fall in revenue
- **Department of Labor:** filings bring the number of jobless claims over the last four weeks to [more than 20 million](#)
- **FAA:** Airlines given rules on how to [replace passengers with cargo](#)
- **OSHA:** Thousands of [complaints filed over coronavirus safety lapses](#), including lack of masks and working in close quarters

Other US News

- 7 Midwestern governors (Michigan, Ohio, Wisconsin, Minnesota, Illinois, Indiana and Kentucky) announce their [states will coordinate on reopening](#)
- GE, Ford sign [\\$336 million federal contract to make ventilators](#) for coronavirus outbreak
- Pandemic provokes [spike in demand for food pantries](#) in US
- Goldman Sachs predicts [37 million US jobs lost by end of May](#)
- Two-thirds of Americans worry [states will lift restrictions on public activity too quickly](#)

Canada Update

- Prime Minister Justin Trudeau announced [more measures to help Canadian businesses](#). He has announced more measures to help Canadian businesses get through the COVID-19 crisis, including expanded loan eligibility and assistance with commercial rent (for April, May and June).
- Prime Minister Justin Trudeau said he and other G7 leaders held a call earlier Wednesday morning "about continuing to co-ordinate a strong and effective global response to this pandemic."
- Canada is still a ways out from lifting border restrictions with the U.S. says Prime Minister Justin Trudeau. On Wednesday, U.S. President Donald Trump indicated there could be a loosening of measures soon rather than later at the border, stating that "Canada is doing well."
- 'We have a whole globe to protect': Pandemic vaccine [research speeds up](#).
- Canada has [avoided a surge of COVID-19 cases](#) in hospitals. Experts say relaxing physical distancing measures anytime soon could put that in jeopardy.
- B.C. Premier John Horgan says the province's success to date in containing the spread of COVID-19 is fueling plans for how and when the province will reopen schools and businesses and resume elective surgeries in hospitals. Mr. Horgan said it will still be weeks before those decisions will be made, and any resumption of restricted activities will be gradual.
- Canada's chief public health officer Dr. Theresa Tam says before life can return to normal, officials need to be able to detect and stamp out new outbreaks of COVID-19. Canada needs increased testing.
- Business Council of Canada, the organization representing [Canada's largest corporations](#), is urging political leaders to listen to health authorities before restarting the economy and "not feel pressured to move faster than public health considerations permit."

Latin America Update

- **Argentina:** 2,571 cases 116 deaths, 631 recovered. Quarantine extended until April 27th. Most probably the government will allow some exceptions to the quarantine for different sectors (banks, social security employees, libraries) but most people will have to remain in their homes for some more weeks. People is allowed to go to the closest convenient stores for supply and they have to work from home. If they can't work from home, they should not go to work but receive their salary. There is a law against terminations or suspensions, however lots of people have not received their salary this month. Most cities are requesting the use of face masks for circulation. The government is implementing payments for people who are freelancers and can't go to work and other low-income groups. They are distributing food for families who are in a critical situation. And they have restricted the return of Argentinians

abroad to about 400 people per day. There is a price control in place until April 20th, but presumably it will go on for some more time to avoid hyperinflation.

- **Brazil:** 28,320 infected, 1,736 deaths. The Supreme Court decided that states and municipalities have the autonomy to adopt temporary measures to combat the pandemic and stipulate, within their competence, which services and activities they consider essential. The decision provides arguments for appeals towards the classification of essential activities listed in Federal Decree N. 10.282/20. The Ministry of Economy has published a norm to fast-track the approval process for the release of funds (during the pandemic) to the public sector from multilateral organizations – such as the World Bank. The measure aims at facilitating the financing of health projects in federal, state, and municipal governments with good credit ratings. Minister Marcos Pontes announced that the Brazilian Research Center on Energy and Materials (CNPEN) has identified an undisclosed already-existing drug that has been proven to treat Covid-19. Clinical testing will begin still this month and will last 4 weeks. The Senate floor approved, in the first voting round, Draft Constitutional Amendment (PEC) 10/20, which creates the War Budget. Among the changes from the House-approved text, there are the suspension of the creation of the Crisis Budgetary Management Committee, restrictions on Central Bank's debenture market operations, and maintenance of Federal tax benefits to safeguard jobs. The final voting is expected for next Friday (April 17). The city of São Paulo published a norm recommending new working times and shift changes for industries and businesses. The state of Minas Gerais determined that businesses should observe local regulations on these topics. Rio de Janeiro and other state capitals have also published similar resolutions, which will likely be adopted by more local governments throughout the month. (Source: Patri)
- **México:** 5,847 confirmed. 11,717 suspected. 449 deaths. In anticipation to Phase 3 further restrictions, the US National Association of Manufacturers sent a letter to President AMLO urging him to align essential list with that of the US. Additionally, obligatory use of masks in Irapuato (Milenio Plant) was announced today. Also, mandatory use of masks for metro riders of Mexico City and for all other public transportation, use of masks is encouraged.
- **Venezuela:** 4 new cases tested positive today, for a country total of 197 cases. The case breakdown goes as follows: 111 patients already discharged; 75 patients remain hospitalized (30 at Comprehensive Diagnostic Centers / 25 at public hospitals / 20 at private clinics); 2 at hotels and NONE at home isolation. Still only 9 deaths recorded. According to local authorities, 225,009 tests have been carried to far in Venezuela.

Europe Update

- **EU** governments and the **Commission** today published a set of measures and safeguards that should be implemented when developing coronavirus contact tracing and warning apps. [The so-called “toolbox”](#) is part of a pan-European approach to support the gradual lifting of confinement measures. Recommendations in the toolbox include that apps should be fully compliant with EU data protection and privacy rules, be voluntary, use the latest “privacy-enhancing” technology, use anonymized data and be interoperable across the EU. By April 30, public health authorities will assess how effective apps are at a national and cross-border level, while national governments should report on their actions by May 31. The Commission is set to evaluate the measures and publish periodic reports starting in June.
- **Switzerland** announced relaxation of lockdown measures from April 27. Services such as hairdressers and some shops (do-it-yourself, gardening) will be allowed to reopen if they can implement social distancing measures. Food stores offering other goods in addition to everyday consumer goods will be able to reopen their entire shopping areas. Primary schools, shops and markets will reopen on May 11, while secondary schools, vocational schools and universities will reopen on June 8. Decision on re-opening of restaurants, bars and very large gatherings will be taken at a later stage. Wearing of facial masks, for people not infected, is still not recommended, especially if social distancing is respected.
- **Portugal** is set to extend its state of emergency for a third 15-day period, taking the lockdown up to May 2. However, the draft decree gives the government leeway to gradually relax restrictions on firms and citizens. Openings would depend on the size, sector and location of businesses, plus the level of monitoring. The government will also be authorized to change lockdown rules depending on citizens' age, opening the possibility for continued restrictions on elderly people even if they are relaxed for younger people.
- **Luxembourg's** Prime Minister Xavier Bettel unveiled the first phase of the country's lockdown exit strategy Wednesday evening. As of April 20, construction sites may resume work, while recycling centers and DIY-focused businesses like hardware stores will be allowed to reopen. Gardeners and landscapers will also be permitted to go back to work. The country aims to reopen secondary schools on May 11 and primary schools, crèches and childcare facilities on May 25. "Mouth protection will be obligatory, whether it be a scarf, a bandana or a mask.", added the Prime Minister.
- Amazon said it is temporarily closing down its **French** warehouses, following a court ruling that limited the company's activities to essential items only. Following a complaint by trade unions, the court found company had “disregarded its obligation of safety and prevention of health [risks] towards its employees”.

- The **British** prime minister's official spokesman said the U.K. needed "legislative and economic flexibility" to manage its response to the coronavirus pandemic and would not seek more time to secure a trade deal with the EU. "We will not ask to extend the transition period, and if the EU asks, we will say 'no.' Extending the transition would simply prolong the negotiations, prolong business uncertainty and delay the moment of control of our borders. It would also keep us bound by EU legislation at a point when we need legislative and economic flexibility to manage the U.K. response to the coronavirus pandemic," the U.K. spokesman said. **British** government on Thursday extended the country's lockdown for at least three more weeks, First Secretary Dominic Raab announced. Speaking at a press conference Raab, who is standing in for Prime Minister Boris Johnson while he recovers from COVID-19, said the government's scientific advice suggests it is necessary to extend the transition because the data is providing a "mixed and inconsistent picture," with infections still likely to increase in some parts of the country.

AMA Update

- **Ethiopia:** The Prime Minister has declared a national State of emergency in Ethiopia which will be in place for 5 months as cases rise to 82. Bill Gates also recently donated \$600M to Addis Ababa.
- **Ghana:** Confirmed cases in Ghana experienced a drastic increase from 408 cases to 636 cases in 72 hours. So far, 8 deaths and 17 recoveries have been recorded in Ghana. In addition, 10 out of Ghana's 16 regions have been impacted by COVID-19 with Greater Accra region being the most impacted.
- **India:** 10477 confirmed cases, 1488 have been cured and 414 deaths. As the Government has extended the national level lockdown till 3 May, Ministry of Health and Family Welfare has released a list classifying districts in each state basis COVID cases. The districts are classified as Hotspots, Non-Hotspots and non-infected districts. Since spitting can sequentially increase the spread of disease, GOI has released advisories urging people to quit chewing tobacco.

Updates on Plants operations:

- *Telangana:* Plant and DC operations continue.
- *Mandideep:* Plant operations have been stopped for today to create awareness on hygiene, sanitation, social distancing and precautions. DC operations continue.
- *Ahmedabad:* Plant operations continue.
- *Baddi:* Plant ran as planned yesterday. Hair Care making start-up was delayed. It is planned for today
- *Baddi B&R:* We continue to seek approvals.
- *Bhiwadi:* We have got extension till 20th of April. We are facing some trouble with the roads being blocked and big vehicles not being allowed which we have taken up with the local authority. We have sent an email to the relevant authorities about P&G "Suraksha circle" initiative with the intent to help manufacturing industries and communities to implement the highest standards of best practices on health, hygiene and safety measures recommended by the Government and health authorities.
- *Goa:* PHC- Employee turnout continues to be good. Similar numbers as yesterday. Slight increase due to some adjustment in transportation roster.
Working on strategy to work around containment zones.
Operations: 20% contractor shortage. Alternate plans in progress to make up for remaining people.
FemCare- Plant operations continue

Depot

- Ranchi depot- We have received new passes for continuing our operations till the end of lockdown.
- Ghaziabad depot- The authority said that we can operate with the same permission.
- Jalandhar depot- Since nearby areas have come under containment zones we are trying to figure out if we can operate.

CM

- Rialto- Almost all the suppliers have approval to operate. One supplier falling in containment zone can operate after 24th of April.
- **Kenya:** COVID-19 cases rise to 225 as 9 more Kenyans test positive; five cases reported in Nairobi and 4 in Mombasa. The number of recoveries currently stands at 53. The Ministry of Health is expected to ramp up testing in the coming days. Curfew in place from 7pm to 5am. Our distributor operations have received stickers to operate as essential services.
- **Liberia:** President George Weah has taken additional restrictive measures, including a declaration of a 21-day state of emergency and a full lockdown of all 15 counties for 14 days. This lockdown is expected to end on April 24 but also subject to extension.
- **Malawi:** The President has announced a 21-day lockdown which comes into effect at midnight on 18 April and runs till midnight on 9 May. During the lockdown, law enforcement officers and essential service providers will be allowed to move. So far, Malawi has recorded 19 coronavirus cases including two deaths with no recovery.

- **Nigeria:** Cases continue to rise. As of April 16, 2020, Nigeria has recorded 407 confirmed cases with 232 in Lagos and 58 in Abuja. At the moment, 128 people have been discharged while 12 deaths have been recorded.
- **Saudi:** GR managed to lobby with Saudi authorities to grant grace period for the restrictions on land shipments till Apr. 20. We continue to advocate authorities to consider less painful measures with increased protection procedures that would still ensure flow of goods
- **Singapore:** 3,699 confirmed cases, 652 recovered, 10 deaths. Singapore reported 447 new Covid-19 cases in the biggest daily spike as of 15 April, of which 404 are linked to dormitories. Commuters not wearing masks will be denied entry to public transports, taxis and private hire vehicles.
- **South Africa:** As of April 15, 2020, the number of confirmed cases in South Africa has risen to 2,506. Gauteng continues to have the highest number of infections at 930. The province is followed by the Western Cape and KwaZulu-Natal with 657 and 519, respectively. The rest of the cases are spread among the six other provinces as well as 18 unconfirmed cases. So far, 34 people have died while 410 people have recovered from the disease. The country is on a further 2weeks lockdown till end April. Our plants, contract manufacturers and DCs are operating smoothly as essential services. President Cyril Ramaphosa has initiated a Solidarity Fund where individuals and corporates alike can contribute financially to the fight against COVID-19. To date, the fund has raised ZAR2Bn (\$108MM).
- **South Korea:** 22 new cases, including 11 new cases coming from overseas, bringing the nation's total to 10,613. Death toll rose by 4 to 229. Hovered below 30 for the fourth straight day, but health authorities are still staying vigilant over imported cases and cluster infections following the parliamentary elections.
Government Measures: Government unveiled a second extra budget bill worth KRW 7.6 trillion (\$6.2 billion) to provide emergency relief to households amid the economic fallout of the COVID-19 pandemic. Government has issued a new brochure on 'flattening the curve' in English to share with the rest of the world its experiences of responding to the new coronavirus. Gyeonggi Province is considering granting marriage immigrants and permanent residents the right to disaster basic income, which it will pay to citizens to help cope with the impact of the coronavirus outbreak.
- **Tanzania:** The government has announced the cancellation of the 2020 edition of the annual Union Day celebrations on April 26 to commemorate the merger of Tanganyika and Zanzibar to become Tanzania. So far, Tanzania has recorded 53 cases, seven recoveries and three deaths. Surprisingly, Tanzania has refused to close its national borders.
- **Vietnam:** 268 confirmed cases with one new case from an ethnic community bordering China, 176 recoveries, 0 deaths. After the Prime Minister decided on extension of Social Quarantine measures till April 22 with different scales for three categories of localities, most provinces in the High and Medium Risks have enforced precautionary measures while the Low Risk group are proposing more relaxed measures, including cautious re-opening of non-essential businesses/services. Domestic flights will be resumed with minimal frequencies between the two largest cities of Ha Noi and Ho Chi Minh City.

Greater China Update

- For the whole Greater China Area, the COVID-19 situation is largely under control with daily increased new cases kept lower than a hundred (Hong Kong, Taiwan, Macau down to single digit or zero) and most cases be imported ones. The government is not escalating control/restriction measures but looking at reviving the economy. With this latest development, we are suspending the daily update for Greater China, but will continue when there are significant developments.