



April 10, 2020

P&G External Business Partners:

We continue to be committed to keeping you informed about the status of our business as well as COVID19 key developments that our P&G Government Relations group tracks and shares with us. These Key Developments cover Global information as well as relevant Regional updates. We hope this information is useful to you as you navigate special circumstances related to COVID-19 in your regions or around the world.

On the business front, P&G products continue to be in high demand. Our Plants are running at maximum capacity and so our Supply Chains to support consumers and customers around the world. From raw materials, packaging, warehousing and transportation to services that support marketing and our facilities running, we are extremely thankful for your partnership and we ask you for your continuous effort to ensure the robustness of your operations and the appropriate level of Business Continuity Plan.

We Thank You for your partnership to continue to serve our customers, consumers and our communities, and for all your efforts to keep the employees in your organizations healthy and safe.

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

## KEY DEVELOPMENTS:

### Global Update

- The United Nations [goes missing](#)
- [UK-US trade talks postponed indefinitely](#) as COVID-19 crisis puts speedy deal in doubt
- COVID-19 could push [half a billion people into poverty](#)
- WHO warns that a growing number of [fake medicines](#) linked to COVID-19 are on sale in developing countries

### US Federal Update

- Prestigious scientific panel tells White House coronavirus [won't go away with warmer weather](#)
- [Senate at stalemate over more COVID-19 aid](#) after Republicans and Democrats block competing proposals
- Unemployment [claims reach 16 million in three weeks](#) as coronavirus ravages economy
- The Fed will pump [another \\$2.3 trillion into the economy](#). Here's why this time is different
- Fauci: I don't think we should [shake hands 'ever again'](#)
- Birx says [drop in US death projection](#) is due to Americans changing their behavior through social distancing
- Surgeon General Adams: US wants to see cases start to [come down for 2 weeks](#) before reopening economy
- Trump officials lay [groundwork for May reopening](#)
- Internal Senate memo warns [Zoom poses 'high risk' to privacy, security](#)

### US State Update

- Pennsylvania: Gov. Wolf signs order to [provide targeted distribution of COVID-19 PPE and supplies](#) to hospitals

### Other US News

- After [COVID-19 politics and policy in the age of pandemic](#)
- Nearly [a third of Americans didn't pay rent](#) this month
- Broadway theaters [extend coronavirus shutdown until June 7<sup>th</sup>](#)

- Walmart, Costco, Target are [banned from selling 'non-essential' items](#) such as clothing and electronics in parts of the US
- Miami orders customers and workers to [wear masks at all times in stores and pharmacies](#)
- Studies show [NY outbreak originated in Europe](#)
- How a [100-year-old vaccine for tuberculosis](#) could help fight the novel coronavirus
- Walmart [hires 100,000 to meet surging demand](#) as toilet paper and sewing machines fly off the shelves

#### Canada Update

- Number of COVID-19 cases in Canada exceeds 20,000.
- Under the current public health measures up to 44,000 Canadians could die from COVID-19 in the months ahead. However, [federal modelling shows](#) the death rate could skyrocket if efforts stopped.
- Parliamentary Budget Officer Yves Giroux says the federal deficit could reach \$184.2-billion this year based on the measures announced to date in response to COVID-19. This is 8.5% of the national GDP.
- More than [1 million people lost their jobs in March](#), Statistics Canada says, as the unemployment rate jumps to 7.8 per cent.
- Canada's two major airlines — [WestJet](#) and [Air Canada](#) — are making use of a [federal wage subsidy](#) plan to hire back thousands of workers.
- Health experts are calling for increased COVID-19 testing across provinces.

#### Latin America Update

- **Brazil:** 15,927 infected, 800 deaths. In a press conference, Health Ministry Mandetta announced that the Ministry held its first procurement for lung ventilators, from multiple Brazilian companies, after an unsuccessful attempt to purchase from Chinese manufacturers. According to him, the expectation is that 14,000 ventilators will be delivered. The Federal Government published a Provisional Measure (MP) extinguishing the Social Integration Program Fund for public servants (PIS/Pasep) on May 31, transferring these resources to the Length of Service Assurance Fund (FGTS). Workers will be able to withdraw up to USD 200 (BRL 1,045) until December 31. Another MP allows tourism companies and service providers not to refund consumers over cancelled reservations and events if they provide free rescheduling for a 12-month period after the State of Calamity is over. USD 520 million (BRL 2.6 billion) in special credit has been opened to fight the pandemic by the Ministry of Health. Mayor Crivella determined opening hours for several businesses as of April 9. Industrial plants will be authorized to operate from 7 a.m. to 9 p.m. (source: Patri)
- **México:** Confirmed cases: 3,181 (396 vs yesterday); suspected cases: 9,188 (1,662 vs yesterday); deaths: 174 (33 vs yesterday). Important to note that the BoH indicated during an evening press conference that the “sentinel model” allow recognizing that there are over 26,000 estimated cases in Mexico. It was also cleared that this fact will not translate into more stringent measures or moving into Phase 3 yet. The BoH announced actions to streamline the import and export of rapid diagnostic tests and ventilators as well as drugs or medical devices required to treat COVID-19. Due to the lack of Federal clarity States are preparing for Phase 3 measures and anticipate that it will mean continuity of essential activities but with greater restrictions on mobility. Govt of State of Mexico recommended the use of masks to all population in that state, as it has been proved efficient in other countries. Contrasting to indication of the Federal Govt that until today has only expressed the need of using masks of sick people and those that interact with them. This may be a trend for other States in the coming days. The US Ambassador to Mexico, Christopher Landau, stated that given the North America economic integration our priorities should be aligned. The European Union announce an allocation of 918 million euros to help Latin America fight COVID-19. The specific allocation per country or organization has not yet been disclosed. FX closed at \$24.09 pesos per USD.

#### Europe Update

- The **European Commission** on Wednesday published the latest coronavirus-related [guidelines](#) on the “optimal and rational supply of medicines.” The guidelines aim to help avoid bottlenecks across the bloc, with the Commission advocating for “stockpiling at EU level,” for instance through RescEU, instead of national hoarding.
- **EU** finance ministers are to reconvene by videoconference on Thursday at 6 p.m. today, to continue working on a coordinated strategy to deal with the economic and financial fallout of the coronavirus pandemic.
- **UK** Prime Minister Boris Johnson remains in intensive care but his condition is improving, Culture Minister Oliver Dowden told the BBC this morning.
- **Spain's** Prime Minister Pedro Sánchez told the parliament this morning that it is “unquestionable” that the state of emergency and the lockdown measures are working, and that the data is starting to look “encouraging.” Sánchez requested the MPs to back a second extension of the lockdown, taking it to April 26.

- **Turkey** is expected to approve a set of new economic measures in the context of the pandemic. These include: capping distribution of dividends and banning “excessive price ups”.
- **Polish** government has announced it is prolonging its coronavirus lockdown measures across the country. Residents are required to stay at home, and all restaurants, bars, cinemas, and non-essential shops will be closed until at least April 19. Schools will remain shut and international flights will be banned until April 26, and the borders will remain closed until May 3. From next Thursday (April 16), mask-wearing in public spaces will be obligatory.
- Some non-essential stores in **Czech Republic** reopened today after staying closed for more than three weeks, as the government of Prime Minister Andrej Babiš continued easing coronavirus lockdown restrictions. The stores now allowed to open — under strict hygiene measures — are home repair shops, construction material outlets, hardware stores and bicycle shops and services.
- The foreign ministers of six Western Balkan countries have urged Brussels to exempt their countries from EU export restrictions on medical protective equipment. The foreign ministers of **Albania, Bosnia-Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia** complain that the restrictions have made it “more difficult” for their countries to buy protective gear.

#### AMA Update

- **Australia & New Zealand:** 6052 confirmed cases in Australia with 50 deaths. 992 confirmed cases in NZ with 1 death. Australia’s growth in new cases continues to slow. While yesterday Australia passed the 6,000 mark of confirmed cases, it was the country’s lowest daily increase in cases since 16 March. Australian residents are advised to stay at home (especially over the Easter holiday) unless they are: shopping for what you need, receiving medical care, exercising or travelling to work or education. Public gatherings, excluding household members, have been reduced to a maximum of two people, including places of worship. NZ remains on a Level 4 lockdown with only essential services available (including supermarkets and pharmacies).
- **India:** 5095 confirmed cases with 166 deaths. Government has been issuing advisories on maintaining proper social distancing and is also speaking widely on addressing social stigma associated with COVID-19. In order to ease the process of receiving permissions for essential commodities, Ministry of Consumer Affairs has sent a letter to Chief Secretaries of all states requesting each state to appoint a nodal officer who will be the single point of contact for essential manufacturing and distribution companies. Country is working towards a digital platform which will enable manufacturer end to end supply chain to register themselves on the portal and secure permissions online.
- **Indonesia:** 3293 positive. 252 recovery. 280 fatality. Province of DKI Jakarta has yet to present the regulation (or SOP) that would detail the execution of the Large-Scale Social Distancing in its area. In addition to DKI Jakarta, the Governor of the Province of Jawa Barat has also made an official letter requesting for a Large-Scale Social Distancing covering Bogor, Depok, and Bekasi – this represents the JABODETABEK cluster. Minister of Health will expect to issue the response within the next 2 days.
- **Japan:** PM Abe declared State of Emergency on April 7<sup>th</sup> to 7 Prefectures that includes Tokyo, Hyogo prefecture (where JHQ and Akashi plant (baby care plant) are located). With that, Prefectural Governors are authorized to take what measures they deem necessary to prevent widespread of infection. Unlike other countries, Japan have little legal power to enforce a strict lockdown, and the law doesn’t provide any penalties for ignoring instruction, just publicizing all measures and applicable business operators. As of April 9 evening, Governors are requesting that citizens to stay home except for grocery shopping and seeking medical care, requesting business operators to leverage WFH as much as possible or otherwise to implement thorough infection control measures. Further measures may be announced in the coming few days. However, we don’t anticipate any measures that can impact our production/supply chain to be implemented by Governors.
- **Singapore:** 1,623 confirmed cases, 406 recovered, 6 deaths. Singapore is on the third day of “circuit breaker” measures. Singapore reported its largest daily increase in COVID-19 cases last night. Effective today (9<sup>th</sup> April), government enforcement officers who come across people gathered in public will issue written warnings immediately before dispersing them. Subsequent infringements will incur a fine or prosecution in court. Safe distancing measures are to be rolled out across public transport. The media has reported that companies such as Citi Singapore and Facebook are providing employees additional help (e.g. special compensation packages) to ease the impact from the Covid-19 pandemic.
- **South Korea:** 39 new cases including 23 cases coming from overseas, bringing the nation’s total to 10,423. Death toll rose by 4 to 204. Marked the first time since Feb. 20 the number of new cases has dropped below 40. Government Measures: President Moon pledged KRW 210 billion (\$172MM) funds for the development of medicines and vaccines. Finance Minister Hong said Korea’s job creation may suffer a decline as the pandemic has strained the country’s economy and business activities and there is a possibility that unemployment may increase among part-time workers or small business owners. In an unprecedented move, grade 3 at middle schools and high schools resumed

classes online today. Grades 1 and 2 at middle schools and high schools as well as grades 4 to 6 at elementary schools will begin new semester next Thursday and Grade 1 to 3 at elementary schools will start taking online classes from April 20. The Bank of Korea (BOK) kept its policy rate frozen at an all-time low of 0.75%, citing the need to see the effect of steps already taken. Authorities said there was no noticeable change in the number of short-term visitors during the past week despite the introduction of a 14-day mandatory quarantine on arrivals.

- **Vietnam:** 255 confirmed cases, 126 recoveries, 0 deaths. In the first week of National Quarantine (April 1-7), there are 31 new cases reported, in which 22 tested positive while being isolated in government quarantine facilities (71%). The number of new cases this last week represents only 42% of new cases in the preceding week of the National Quarantine. The government said this can be attributed mainly to mass social distancing measures that help contain community spread.

#### **Greater China Update**

- Greater China: Reported a total of 92 new COVID-19 cases (including Hong Kong 25 cases, Taiwan 3 cases, Macau 1 cases). Mainland China confirmed 63 cases (61 imported and 2 local) and reported 56 asymptomatic cases.
- In Hong Kong, in addition to the ban on +4 people activities, and shutdown of 6 kinds of entertainment venues, the government suspends operation of beauty/massage shops, and the ban is extended to Apr 23. Also, effective from Apr 8th, all arrivals in HK international airport have to take testing at the temperature testing center.
- In Taiwan, as mask production capacity has increased up to 15MM pieces per day, effective from Apr 9th, the government lift the restrictions and allow people to send masks under 30 pieces to overseas families.