



April 24, 2020

P&G External Business Partners:

Last Friday, P&G announced our third quarter earnings results, found [here](#). We had a very strong quarter, setting records in demand, production and shipments, while prioritizing the health and safety of our employees. Organic sales increased 6%, with 9 of our 10 categories growing globally. We grew share in aggregate, despite the fact that some of our products have been temporarily out-of-stock, given the enormous demand. Core earnings per share were up 10%. Not surprisingly, our strongest growth was in our health care and fabric and home sectors, where sales grew 9% and 10%, respectively.

You all have been a key part of this success and your commitment and willingness to support these efforts is highly appreciated. We are all in this together and we are grateful to have you as partners all around the globe.

In addition to this impressive work in providing consumers with the products they trust, we have devoted resources to assisting our communities and neighbors in wholly new ways. In addition to significant cash and product donations, we are using our expertise and creativity to produce personal protective equipment, like masks, hand sanitizer, and face shields. Our people are stepping up, because we know that it is critical that we be a Force for Good, as well as a Force for Growth, during this highly challenging time. The document below provides a helpful summary of what P&G is doing to respond to Covid-19. Also included is information from our Government Relations group regarding the key global and regional developments that we have been sharing each week with you.

We have received some questions about return to work to P&G locations. We are aware that some governments have started talking about gradually lifting or relaxing their current measures and allow people to return to work. The situation in every country is different and as such, P&G will enable this at the appropriate time. We will commit to inform you when the plans are protocols have been determined. Above all else, our priority is to ensure a safe and healthy work environment for our people and yours.



PG_COVID-19
Response - Force fo

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

KEY DEVELOPMENTS:

Global Update

- WHO chief warns against lifting lockdowns too quickly: Dr. Tedros [warned of upward virus trends in Africa, Eastern Europe, and Central and South America](#) and lifting lockdowns too early could cause infections to "reignite"

US Federal Update

- House [passes \\$484 billion bill \(388-5\) with money for small businesses, hospitals and testing](#) to battle coronavirus, HR 266, this afternoon; President Trump has indicated he plans to sign into law

- **House** adopts a resolution (212-182) to create a special congressional subcommittee that oversees the distribution of coronavirus relief funds
- US jobless claims at 4.43 million last week, bringing the [five-week total to 26.5 million](#) in the steepest downturn for the US labor market since the Great Depression
- **USDA** is providing a [40% increase in SNAP benefits](#) to ensure that low-income individuals have enough food to feed themselves and their families during this national emergency
- Fauci: US [needs to 'significantly ramp up'](#) testing

US State Update

- **Alaska:** Gov. Dunleavy [will reopen nonessential businesses on Friday April 24](#). These businesses will be required to practice strict health and safety protocols as well as support social distancing mandates which will remain in place. Restrictions on both interstate and intrastate travel, as well as mandatory quarantine for incoming travelers, will continue through May 19th

Other US News

- Three scenarios for [life after COVID-19](#)
- The [post-pandemic workplace](#) will hardly look like the one we left behind
- Meat [shortages will be occurring two weeks](#) from now in the retail outlets
- Pennsylvania [workers lived in factory for 28 days straight](#) to make PPE to fight coronavirus
- Hidden outbreaks spread through US cities [far earlier than Americans knew](#)
- Out of work – and cash – millions of Americans are [still waiting for their first unemployment check](#)

Canada Update

- Federal government announces [new measures to mobilize scientists](#). With increased testing and further understanding of the virus deemed necessary before reopening the Canadian economy, the federal government is spending an additional \$1.1 billion for a national medical and research strategy to address COVID-19.
- Saskatchewan unveils [five-stage plan](#) to reopen its economy next month.
- The number of deaths from COVID-19 in Canada exceeds 2,000, as cases top 40,000.
- Prime Minister Justin Trudeau has promised the military will respond to provincial requests for assistance at long-term care facilities hit hard by COVID-19, but says the measure is a short-term solution.
- Some 9,500 workers in Quebec's health-care system are absent for various reasons - and that number keeps rising. Those absences are proving difficult to fill and are causing a strain on the health network.
- Ontario Premier Doug Ford's 95-year-old mother-in-law has tested positive for COVID-19.
- A new survey by Statistics Canada (200'000 participants) says older respondents are more concerned about their health in the face of COVID-19, while younger people are worried about their ability to pay their bills.
- Toronto Transit Commission lays off up to 1,200 employees as it grapples with COVID-19.

Latin America Update

- **Argentina:** 3288 cases, 159 deaths, 919 recovered. Quarantine extended until April 27th. Government has allowed the opening of tax collecting and payment agencies, medical appointments and retail shops via delivery only. 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. Most cities are requesting the use of face masks for circulation. The government is implementing payments and credits 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. There is a permit for people who need to return home (domestic or international). Price controls have been extended until May 20th.
- **Brazil:** 45,757 infected, 2,906 deaths. The focus points of the plan for Brazil's socioeconomic recovery over the next 10 years were published today. It includes initiatives in infrastructure, productive development, human capital, the environment, and more. A working group will hold its first meeting on April 24 and the projects are expected to be defined by September. Minister Teich announced that the Ministry will release next week new instructions for states and municipalities guiding the relaxation of isolation measures, considering each location's number of cases, hospital infrastructure, and available human resources. Teich also announced that he will seek greater government integration, sharing databases with other ministries. The urgency request for Complementary Bill (PLP) 34/20, which determined compulsory loans from corporations to pay urgent expenses from the fight against the pandemic, was removed from the floor's voting schedule. Party leaders intend to create a new text for voting on. The Senate floor unanimously

approved the House's clean bill for Bill 873/20, which extends the emergency support measures to more recipients. The proposal now proceeds to the President to be signed into law or vetoed. Chief Justice Dias Toffoli suspended the judgement of Justice de Moraes's preliminary decision that allowed the adoption of a simplified procedure for approving Provisional Measures in Congress. In the meantime, the simplified procedure will continue to be valid. The Salvador municipal government published a decree making mask use mandatory in commercial establishments. 16 states and 12 capital cities have adopted similar norms, mandating protective mask use. The Santa Catarina state government allowed bars and restaurants to open to the public, with the adoption of sanitary preventative measures. Ceará and São Paulo have published reopening plans for non-essential activities, and Rio de Janeiro and the Federal District are expected to adopt similar measures this week. With this tendency to reopen commerce, the Brazilian Front of Mayors (FNP) has requested orientations regarding social isolation flexibilization protocols. (source: Patri)

- **México:** There are 10,544 confirmed patients (+1,043 vs yesterday) and 970 deceased (+113 vs yesterday). Authorities are challenging operation of essential activities' supply chain, closing operations they do not consider as essential even though they may be part of an essential supply chain. In response Legal-GR team has been supporting those companies. GR Team arranged for a call of our GM with the Ministry of Foreign Affairs to sensitize them on this issue and will follow up directly with our government stakeholders and through TAs in order to try to help in allowing our essential suppliers (related to raw material, packing and logistics) to operate. In additional efforts NAM issued a letter with DST signature among other 300 signers requesting AMLO to align essential activities according to US CISA guidelines in the spirit of not affecting North American supply chains. Additional to these effort AMCHAM released a press release in that same sense as did CONCAMIN, a local Industry Chamber, and the AHAM (Association of Home Appliances Manufacturers) together with their Mexican counterpart ANFAD. FX closed at \$24.58 pesos per USD.
- **Venezuela:** 10 new cases tested positive today, for a country total of 298 cases. The case breakdown goes as follows: 122 patients already discharged; 156 patients remain hospitalized (54 at Comprehensive Diagnostic Centers / 85 at public hospitals / 27 at private clinics); and NONE at home isolation. Still only 10 deaths recorded. The major case cluster remains the youth baseball academy located in Nueva Esparta with +80 cases identified so far. This facility remained operative despite sports activities being fully prohibited throughout the country. According to local authorities, 347,236 tests have been carried to far in Venezuela. Isolated looting incidents were reported in Sucre, a state located in the Venezuelan northeast. 7 people were injured, 2 of them allegedly with gun shots. People claim: "we have no water, no electricity, no money, no gasoline and unable to go out and work to bring something to eat to our families".

Europe Update

- **EU** leaders are meeting via videoconference on Thursday to discuss how to fund Europe's economic recovery. The Commission's proposal is to create new funds as part of the EU next seven-year €2 trillion budget (MFF) to help the EU's recovery and to build strategic autonomy in vital supply chains at a European level. Brussels wants to use part of the budget as guarantees to borrow on capital markets, and then loan on to EU countries. It would allow the Commission to leverage its triple-A rating and multiply the MFF's resources at good terms. "A European economic recovery plan could support the necessary recovery over the next two years," German Chancellor Angela Merkel told the Bundestag in a speech ahead of the session but added: "Our discussions today will not yet be about determining the details or deciding on the scope."
- **EU** Member States are making increasing use of the EU list of non-cooperative jurisdictions (the tax "blacklist") in the context of awarding public financial support to companies. So far, Denmark, Poland and France have announced they will not make public aid available to companies headquartered in countries on the EU "blacklist".
- **Greece** is extending lockdown measures until May 4, government spokesman said today. A plan on how to gradually ease some of the restrictions will be announced by Prime Minister Kyriakos Mitsotakis early next week. The transition period will last for around two months.
- **Turkey** will introduce a curfew from April 23rd midnight to April 26th midnight. P&G operations (Gebze Plant/DC) will continue during the curfew, based on the exemption obtained by the local GR team from the district governor. We also expect all our suppliers to continue their operations as well.
- **French** President Emmanuel Macron has told mayors in France that a plan to unwind the country's lockdown will be unveiled around Tuesday next week.
- On 21 April Gergely Karácsony, mayor of Budapest (**Hungary**) said on Facebook that people in shops, markets and taxis will have to wear face masks or otherwise cover their faces as of 27 April.
- **Spanish** parliament approved on Wednesday the third extension of the state of emergency. The government strongly recommends remote working for two more months. Deconfinement will start gradually from April 25 and would be coordinated with local authorities.

- **Hungarian** government will decide next Wednesday on a plan to gradually relaunch the economy and phase out restrictive measures. However, the restrictions currently in force will remain in force until 3 May.

AMA Update

- **Ghana:** 1,154 confirmed cases, an increase of 112 new cases since the President lifted the partial lockdown. Ghana has also recorded 120 recoveries so far.
- **India:** 15859 confirmed cases, 3959 recoveries, 652 deaths. To ensure the safety of medical workers, more than 5 lakh PPEs have been supplied to various states/ central hospitals by central Government. Since there was no domestic production of PPEs in the country, the Ministry of Health and Family Welfare in collaboration with Ministry of Textiles worked to encourage domestic production. More than 50 domestic manufacturers have cleared quality tests so far. A high level multi-disciplinary team has been deputed to assist states in cluster containment plan and ICU and ventilator management.

Plants updates:

- **Telangana:** Plant and DC operational
- **Mandideep:** Inter district travel is restricted because of areas where are employees travel from being in containment zone as per order released last night. We are working on other options
- **Ahmedabad:** Plant operational
- **Baddi:** Permission correction to be sought today. The permission issued earlier for F&HC mentions about drug manufacturers. Fabric (20 MSU) and Hair (14MSU) planned for today
- **Baddi B&R:** Written approval to be sought today
- **Bhiwadi:** Plant operational
- **Goa:** PHC Plant operational. Femcare Plant operational
- **Indonesia:** 7775 confirmed cases, 960 recoveries, 647 fatalities. Large Scale Social Distancing (PSBB) for the Province of DKI Jakarta has been extended to 22nd May 2020.
Ban for people to return home for the Aidil Fitri is effective from 24th April 2020. Pending the Regulation from the Ministry of Communication, they have announced that logistics movements and goods continue to be permissible. For Plant Employees and DC, their commute will be equipped with the P&G Letter and the Mobility Dispensation from the Ministry of Industry (MOI). Tegal PSSB is from 23rd April to 6th May 2020. PSBB schedules for Surabaya, Gresik, Sidoarjo; Tarakan and Banjarmasin have not been announced.
- **Kenya:** 303 confirmed cases, 83 recoveries, 14 deaths. Mandera County has been placed on lockdown by Interior Minister Fred Matiang’i due to the escalation of community-based infections. The measure includes: cessation of movement by air and road in and out of the country for an initial 21 days starting 7pm (local time) April 22, 2020.
- **Nigeria:** 873 confirmed cases, 197 recoveries, 28 deaths. A breakdown of all the cases shows that Lagos State has so far reported 504 cases, followed by FCT-119, Kano-73, Ogun-24, Katsina-21, Osun-20, Oyo and Edo-17 cases each, Kwara-10, Kaduna, Akwa Ibom and Borno-9 cases each, Bauchi has recorded 8 cases, Delta-6, Gombe-5, Ekiti-4, Ondo and Rivers 3 apiece. Jigawa, Enugu, Niger and Abia have 2 cases each while Benue, Anambra, Sokoto and Adamawa have 1 case apiece.
Nigeria governors, through the Nigerian Governors’ Forum, have announced their decision to ban interstate movements of people for 14 days. This is a follow-up on the federal government prohibition of the movement of all persons diagnosed with COVID-19 to another state for treatment. Essential services remain exempted from these restrictions.
- **Philippines:** 6710 confirmed cases, 693 recoveries, 446 deaths
Government lobbying priorities:
 - Cabuyao local govt unit (LGU) directive for strict housing of all workers and employees - We have successfully influenced Mayor to allow shuttling of employees from residence to plant instead of compelling the company to house all skeletal employees onsite or in nearby accommodations. This is a huge win given the strong statements made by the Mayor at the beginning of the lockdown that he will not allow shuttling from house to Plant. This will give us flexibility to continue with present arrangement of shuttling majority of employees/workers from residence to plant and providing temporary accommodations to about 10-20% of skeletal workforce only.
 - Authority to produce Downy fabric enhancer - We've secured confirmation from the Department of Trade that company is now expressly allowed to produce Downy using the skeletal workforce which have been previously approved by govt. This will ensure clarity for the guidance of all on our authority to continue manufacturing Downy.
- **Singapore:** 11178 confirmed cases, 896 recovered, 12 deaths. Singapore reported its 12th COVID related death on 22nd April. Singapore confirmed 1,037 new COVID cases today. Most of the patients are migrant workers. There are

now more than 11,000 cases in total. P&G will be seeking approval from the government to ensure that we will be allowed to pack the care packages that are to be distributed to our migrant workers.

- **South Africa:** 3,635 confirmed cases, 1,055 recoveries, 65 deaths

President Ramaphosa in his address stated there will be a 3-phase approach to economic recovery:

- Phase 1: Began in mid-March when pandemic was declared a national disaster. Included tax relief, release of disaster relief funds, emergency procurement, wage support through UIF and funding to small businesses.
- Phase 2: Now being embarked upon. Measures to stabilize economy, tackle decline in supply & demand, and protect jobs. Measures include massive social relief and economic support package of R500 billion = 10% of GDP.
- Phase 3: To drive economic recovery as the country emerges from the pandemic. Measures to stimulate demand & supply, implementation of economic reforms, economic transformation, and steps to ignite inclusive economic growth will be outlined in coming days.

There will be a Phased Re-Opening of the Economy: If ended too soon, resurgence of disease very likely. A Gradual transition to be applied. The President will address the nation on measures to be taken beyond end of lockdown.

- **South Korea:** 8 new cases, including 4 new cases coming from overseas, hovering around 10 for the sixth day in a row. The nation's total confirmed cases rose to 10,702 while 2 more people died putting the death toll rose at 240. In response to the falling number of patients, health authorities plan to reduce the number of hospitals specially designated to treat COVID-19 across the country. The health authorities said that they believe patients who test positive after being declared virus-free have little or no ability to infect others.

Government Measures: Bank of Korea (BOK) said South Korea's economy shrank 1.4% on-quarter in the first quarter of this year as the coronavirus pandemic crippled industrial output, consumer spending and job markets. Finance Minister said the pandemic is expected to have a bigger impact on the nation's economy in the second quarter as the virus has crippled global supply chains and consumer demand. The US state of Colorado will soon receive Korean-made kits to run more than 100,000 new coronavirus tests, after Maryland purchased diagnostic kits to conduct 500,000 tests. Seoul mayor said Seoul Metropolitan Government (SMG) will give KRW 1.4 million in cash subsidies to some 410,000 small business proprietors in the city to help them ride through the coronavirus-triggered business downturn. KCDC said the likelihood of a COVID-19 pandemic recurrence this fall or winter is high and the government is preparing for a worst-case scenario.

- **Uganda:** Confirmed cases have risen to 63 with 45 recoveries and no death so far. The government recently endorsed hydroxychloroquine drug for the treatment of COVID-19 cases in the country.
- **Vietnam:** Confirmed cases stands at 268 with 224 recoveries and 0 deaths. First day into the ease of Mass Social Distancing almost nation-wide saw several provinces reopening businesses and services and people crowding the streets after 3 weeks of stringent measures. 33/63 provinces decide to reopen schools in April or early May while the two largest cities of Ho Chi Minh and Ha Noi are taking more cautious approach and not yet made their minds. Mask wearing outside of home is still required in most places. Government is working with U.K.-based Redcliffe Bioscience Holdings to distribute one million test kits per month for the U.K., India, Mexico, the U.S., and some European countries after Vietnam testing kits approved by the U.K. and EU.