

When the going gets tough, the tough get going

GBS location information in the context of COVID-19

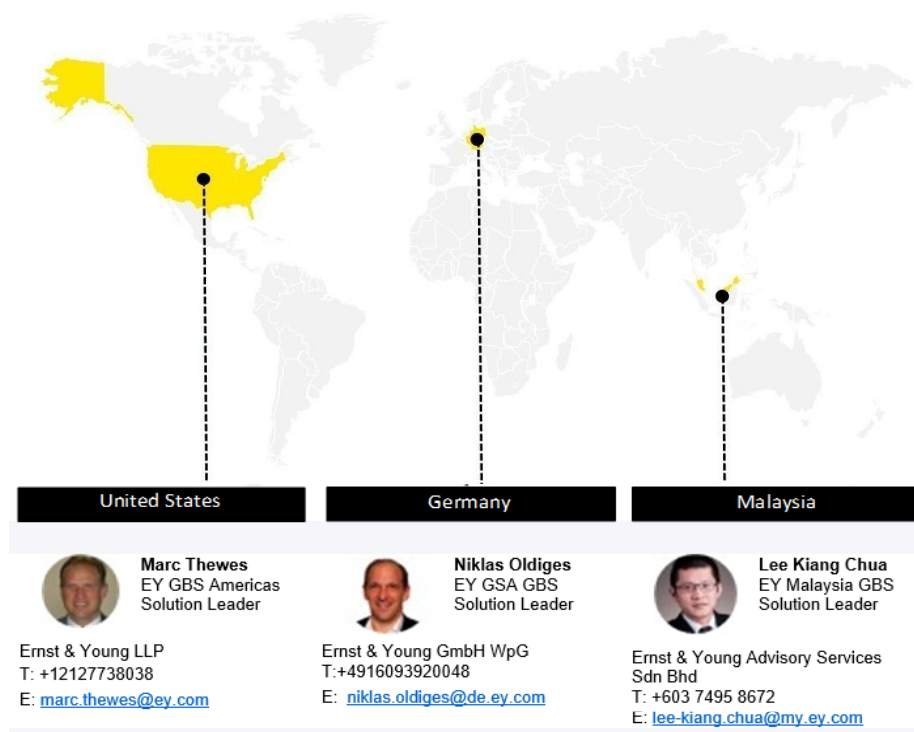


GBS organizations world-wide evidence a strong performance to manage COVID-19 impacts

This document is part of the regular EY GBS COVID-19 newsletter, which we hope will further help you to take the right decisions. Today, we can already see that GBS organizations actively manage the challenges arising from the current crisis:

- ▶ Most GBS organizations state that their operations worked well with normal or slightly reduced performance. Most issues have been solved in time.
- ▶ GBS might be stronger at the end of the crisis than it was before as it strongly demonstrated to be very agile, flexible and above all stable - even in unprecedented scenarios.
- ▶ Operations in most countries are going back to (a new) normal, with social distancing and work-from-home being a given.

Please read more about specific country regulations in this document. The second edition of the newsletter focusses on the US, Germany and Malaysia.



The world-wide EY GBS network will help you to with further insights where required. Please reach out to the EY local teams.

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Focus countries: COVID-19 country-wise details

United States

COVID-19 trend per country

The infection numbers of COVID-19 cases have quickly surpassed other countries with the largest number of active cases in the world, with a total of more than 605,000. Over 202,000 of those cases are in New York State and over 110,000 are in New York City, the largest state and city numbers in the US. Almost 25,000 US lives have been lost thus far, of the 123,000+ deaths tracked globally. It is expected that US deaths will exceed 100,000. However, discussion is ongoing as to whether this estimate should be revised.

Regulations and Restrictions due to COVID-19

Since the virus has spread to all US states, many non-essential businesses have been closed and it has been urged that people limit their travel. The Center for Disease Control (CDC) urges residents of New York, New Jersey, and Connecticut to refrain from non-essential domestic travel for 14 days, effective immediately. Domestic Travel Advisory does not apply to employees of critical infrastructure industries, including trucking, public health professionals, financial services, and food supply. This guidance has been expanded to apply to anyone who has been in a high-contamination region (e.g., NY, NJ, CT, etc.). Additionally, several states (e.g., Michigan, Virginia, Washington DC, Maryland, and others) have instituted more stringent state-wide travel restrictions which could result in a fine or jail time if deemed non-essential. The CDC also advises US citizens to restrict travel to China, Iran, most European countries, and the United Kingdom and Ireland. Foreign nationals traveling through these countries within the last 14 days will not be permitted entry into the US and US citizens may be quarantined for 14 days before being released.

Concrete client examples of recurrent issues and mitigation

- ▶ **Issue:** As discussions around opening the economy increase, there are growing questions on how the GBS operations will evolve in response to COVID-19. Clients are beginning to evaluate migration strategy options for workforce re-entry and their impact from a logistics and human perspective.
- ▶ **Mitigation:** To alleviate logistical pressure of re-absorbing entire workforce into GBS centers all at once, clients are exploring a staggered/gradual approach to minimize operational disruption. Clients are also beginning to discuss balance of work-life balance with professional development as they consider some degree of sustained remote operations. **Issue:** Remote operating introduces security concerns (e.g., payroll, cyber threats)
Mitigation: Extend cyber threat capabilities (e.g., identity access management, threat detection and response).
- ▶ **Issue:** Remote operating introduces security concerns (e.g., payroll, cyber threats)
- ▶ **Mitigation:** There's been incremental effort to expand cyber threat capabilities (e.g., identity access management, threat detection & response). However, collectively EY is not seeing that data privacy concerns are posing a significantly greater risk in comparison to other business challenges.
- ▶ **Issue:** Depending on the industry, shifting supply & demand of resource needs
- ▶ **Mitigation:** PAS is developing an Employee Leasing and a Talent Trading Approach which would include Workforce Planning, Tax, Compliance and Contractual support for clients as well as partnering with certain alliance partners (SAP, Adepto etc.) to offer a technology enablement solution. There's also a greater appetite for Clients to reduce process complexity and accelerate efforts to further automate and reduce reliance on manual activities (e.g., touchless invoice processing, intercompany recon, etc.)

Legal situation for HR-related issues

The Senate and House passed a \$2 trillion legislative package, the Coronavirus Aid, Relief and Economic Security (CARES) Act, which President Trump signed into law on Friday, March 27th, 2020. The CARES Act aims at providing the health care resources needed to fight COVID-19 and preventing a severe economic downturn. The package - the largest in history - provides emergency support for the healthcare system, encourages worker retention and provides emergency liquidity for households and businesses. It also includes various tax provisions and rebate payments to US households. In addition, the Emergency Paid Sick Leave Act (employer must provide 2 weeks of paid sick leave for full-time covered employees) and the Emergency Family & Medical Leave Expansion Act (employer must provide 10 weeks of paid family and medical leave for employees) were passed. As of April 15th, 2020, the CARES Act is still being implemented and payments to US households are still in process to be distributed.

Germany

COVID-19 trend per country

The number of cases, hospitalizations and fatalities in Germany continues to increase. The Robert-Koch-Institut (RKI) currently assesses the risk to the health of the German population overall as high and as very high for risk groups. The probability of serious disease progression increases with increasing age and underlying illnesses. The risk of disease varies from region to region. The burden on the health care system depends on the geographical and age distribution of cases, health care capacity and initiation of containment measures (isolation, quarantine, social distancing etc.), and may be very high in some geographical regions. This assessment may change on short notice as a result of new findings.

Currently, as of April 16, 2020, there have been registered 133,000 infections and 3,868 fatalities.

Regulations and Restrictions due to COVID-19

All 16 federal states in Germany are affected, incidence rates (cases per 100,000) of COVID-19 is highest in Bavaria, Baden-Wuerttemberg, Saarland and Hamburg. Based in federal state law, regulations differ from state to state.

Across Germany, people are advised to work from home if possible and to practice social distancing to the maximum, no country-wide curfew though.

As of March 23rd, 2020, gatherings of more than 2 persons (with the exception of families and household members) are banned in all federal states. Restaurants and businesses concerned with body care were closed. In public spaces, all persons must maintain a distance of 1.5 meters to other individuals.

Border-controls have been implemented throughout the whole country, commuting still allowed and possible. Some neighbor countries require additional information (health certificate, employee certification) from people travelling to work.

Air and train transport are limited, Deutsche Bahn is maintaining a limited schedule for local and regional transportation to support public life. Airlines started to operate flights for cargo instead of passenger travel. Also truck traffic has not been restricted, international trucks are facing longer waiting times due to border control.

Schools went on remote teaching and child daycares are closed.

First discussions about potential exit strategies started, no decision yet. Different regulations per federal state to be expected.

Economic situation

The German Bundestag/parliament approved the Government draft law on March 25th, 2020 and the proposals passed the Federal Council on March 27th, 2020. The laws cover the measures already announced previously and have a volume of approx. EUR 122.5 billion (the list below is not exhaustive):

- ▶ Making the reduced hours compensation benefit (Kurzarbeitergeld) more flexible
- ▶ Ad-hoc aid for small businesses; A protective shield worth billion for businesses
- ▶ Economic Stabilization Fund and loosening of insolvency/bankruptcy/other laws
- ▶ Reduced hours compensation will be available (with certain applicable terms)
- ▶ Small businesses with up to 10 employees will receive a direct subsidy for certain expenses, depending upon the number of employees; this will be taxable
- ▶ Conditions for the KfW-Unternehmerkredit (business loan companies) and the ERP-Gründerkredit-Universell (for existing start-up loan for companies that are less than five years old) revised
- ▶ For guarantee banks (Bürgschaftsbanken), the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10%
- ▶ For companies facing temporary serious financial difficulties because of the crisis, who do not have easy access to existing support programs, additional special KfW programs were launched.
- ▶ The former bank rescue fund "Soffin" will be converted into an "economic stabilization fund" for large businesses which are critical for the system.
- ▶ On April 1st, 2020, the Ministry of Economy issued a press statement aligned with the Ministry of Finance regarding further support with a volume of EUR 2 billion. The measures are intended for start-ups, young technology companies and SMEs who often do not fulfill the requirements for traditional measures.

Concrete client examples of recurrent issues and mitigation

All centers established remote work, being very effective with it: no major productivity losses have been evidenced.

As a consequence, remote work models might increase and take a more important role in the future - with possible positive impacts e.g. employee work-life-balance.

In some cases, GBS processes were adjusted to be virtual where they had not already been virtual (e.g. for Travel & Expenses) due to requirements as a result of the COVID-19 crisis. Process automation / digitization increases management attention and gets an absolute top focus area for GBS leadership.

Transition projects are being run virtually, based upon online meetings and the production of videos to foster virtual learning. Issues during transitions are being tracked and discussed in regular virtual transition jour fixe meetings - as done before.

Beyond GBS transition projects, decision taking and prioritization of project work is being strongly influenced by cost & savings aspects; however, data security is also attracting a lot of management attention.

Legal situation for HR-related issues

There is no Government communication in this respect yet for the current situation, no ease to labor law are currently in public discussion.

Federal state has passed a law and approved supplementary appropriation to support the Germany economy. With these additional funds small business will be supported, companies facing liquidity challenges will have easier access to loans, partially guaranteed by federal stated. Short-term work is one of the main tools more and more companies apply, massive layoffs have not yet been reported or announced.

Malaysia

COVID-19 trend per country

- ▶ As of April 10th, 2020, the total number of confirmed cases is 4,346 with a total of 1,830 patients (42%) recovered.
- ▶ Nearing the end of the 3 weeks' period of the Movement Control Order (MCO), the number of individuals who tested positive for COVID-19 has started to trend downwards. The growth of positive cases has been controlled to a rate of 7%, below the 10% benchmark set by the World Health Organization. In addition, it is also observed that the number of daily recovered cases exceeds the number of new cases for 2 days in a row.
- ▶ Many small and medium size enterprises (SMEs) are severely affected by the COVID-19 outbreak. It is estimated that SMEs contribute about 40% of the economy in Malaysia hence the Government announced an additional stimulus package worth USD2b to assist the SMEs (Note: applicable to companies with local workers earning below MYR 4,000).

Regulations and Restrictions due to COVID-19

The Malaysian Government announced to extend the Movement Control Order (MCO) for another 2 weeks, till April 28th, 2020

In order to ensure the sustainability of the country's economy and to prevent job loss, the Malaysian Government has announced that the selected sectors can be reopened in stages (with health guidelines and strict movement controls in place) besides businesses which provide essential goods and services.

Hence, services such as hair salons, hardware and laundry services will now be allowed to operate according to a SOP. For the retail sector, shops dealing in hardware items, electric and electronic appliances and optical goods will be allowed to open.

Concrete client examples of recurrent issues and mitigation

Example Client #1: Global biopharmaceutical business

- ▶ GBS employees operate in a virtual environment from the beginning of the crisis as the GBS center in Kuala Lumpur supports regional and global functions. With a robust BCP in place, all employees are allowed to work from home (WFH), even before the MCO was being implemented. The employees do not face much issue on internet connectivity as they have sufficient VPN bandwidth to support all the users to WFH and the network subsidy to the employees.
- ▶ There are also some key challenges faced by the GBS client during the MCO period, such as:
 - ▶ Decisions are harder to reach due to the challenging collaboration environment; stakeholder management is easier via face to face interactions
 - ▶ Not all employees have the means to connect to the corporate network, for example sub-optimal speed telco connectivity at some locations, and absence of home broadband
 - ▶ Working environment at home is not conducive to employees to deliver optimum productivity
 - ▶ Inefficient IT support, especially hardware related support
- ▶ In order to keep the employees engaged and connected through the MCO period, the GBS management has a mitigation plan as below:
 - i. Provide assistance to those who don't have/stable network connection to WFH by providing subsidy for data reimbursement or portable network devices to the employees
 - ii. Sufficient virtual engagement to stay connected with the employees is provided. Ensuring their motivation level and well-being is maintained (e.g., fitness challenge, providing virtual yoga/HIIT/Zumba, daily huddle within internal team, meal subsidy, virtual coffee sessions, sharing sessions)
 - iii. Multiple digital platforms are made available to the employees as a backup, in case one of the platforms fails

Example Client #2: Leading flavor and fragrances company

- ▶ This GBS organization is digitally enabled with modern workplace tools, hence the employees have no issues in executing BCP by working from home on their daily operations.
- ▶ The employees expressed that it can be challenging in meeting the timeline as per normal due to the management of family needs. Hence, the management has decided to provide flexibility in their work submission (subject to the urgency level).
- ▶ There is also some positive feedback obtained from the GBS team as well, as they could fully utilize their times in working instead of spending 2-3 hours commuting to workplace.

COVID-19 country information in alphabetical order

Argentina

COVID-19 trend per country

The infection rate is growing although the curve is still pretty flat. With around 2,500 infected and 110 dead people. The infection peak is expected for early / mid-May.

Regulations and Restrictions due to COVID-19

The national frontiers are still closed. All people must stay at home except for critical activities: health services, food manufacturing, and distribution, supermarkets and grocery stores, security (police, army, firemen), media and newspapers, etc. This lock down started on March 20th and was extended until April 26th, 2020 recently.

Concrete client examples of recurrent issues and mitigation

Not all organizations are prepared for home-office. They are trying to keep the normal operational level but it's difficult to have all resources in place to work remotely. Payments are delayed so the cash-flow situation of most companies is complex. Some companies are paying only part of the salaries (50% / 60% / 70%).

Legal situation for HR related issues

Labor laws protect workers. No unpaid leave is allowed, except for a "justified cause". The Government prohibited the suspension and/or dismissal of workers due to force majeure or decreased workload caused by the COVID-19 crisis. Some companies are sending their employees on vacation but it's not clear if forced vacations are legal in this context.

Brazil (not updated)

COVID-19 trend per country

According to Brazilian Government (March 26th, 2020 report), April will be critical, as the COVID-19 curve is initiating its inflection, although there is no official estimation on when the curve will reach its peak. During the month of March, the number of infected people was below initial estimates. The positive results achieved in Brazil were due to the capacity of the Government to detect the issue in advance, availability of the required infrastructure to assist the population so far and anticipated actions, such as total lockdown in the most critical overpopulated states (Sao Paulo and Rio de Janeiro) since middle March. On the other hand, in the previous years, there was low level of investments on health (hospitals and labs) which increases the risk to deal with the crisis in the days to come.

Regulations and Restrictions due to COVID-19

Brazil is experiencing different guidelines between the federal Government and the state determinations regarding social isolation. The Government of the most populated states (São Paulo and Rio de Janeiro) anticipated federal Government orientation and established total social isolation and closure of commercial establishments in mid-March, positions which were criticized by the president, although reiterated by the Ministry of Health, whose guidance was that symptomatic patients, their families and the elderly not to leave home and for the rest of the population to avoid agglomerations. The month of March ended with no due date announced for termination of social isolation. The Minister of Infrastructure is providing ways to keep food supply chain unaffected, also making sure essential services (health, drugstores and food stores) are kept open and available for the population.

Concrete client examples of recurrent issues and mitigation

Health and employee wellbeing: A GBS organization defined a communication strategy for the crisis, leveraging leadership to promote prompt guidance and a confident, truthful and positive agenda to the delivery center, also encouraging the people to extend this behavior to the rest of the organization. Collaborative platforms were implemented to enable virtual meetings. Frequent connections among team members were done. The company also sponsored self-study to reduce the feeling of being unproductive

and enabling with that new skills at the delivery center. For functions where remote work was not a possibility, the company emphasized social distance at the office and a high hygiene routine.

Technology enablement: To deal with the IT infrastructure risks during the rapid home-office forced adoption, the company adopted processes to prevent exposition to involuntary data leaks and intrusions, among other threads. A crisis group was created, together with the IT department, to deal with cybersecurity, taking special attention to social engineering, reviewing Information Security protocols and data protection tools, considering company data traffic increase in non-conventional environments. The delivery center innovation function is also trying to extract some opportunities from the crisis, to adopt some new practices even after the current moment, as a "new normal", such as increasing online meetings, remote jobs and also identifying areas where robotization of manual processes can be applied. The company made a fast assessment of its technological infrastructure at the delivery center (connections, equipment and accesses) to adjusted them for remote jobs. The biggest challenge was to re-define rules and organize the use of employees' infrastructure for business continuity (bring your own device).

Legal situation for HR-related issues

Some immediate decisions have been taken by the Government to make labor rules more flexible. In this sense, the Brazilian Government issued the following on March 22nd, 2020:

Possibility of 25% salary reductions, respecting the minimum salary already established for each region. It is important to evaluate this hypothesis carefully and its impacts.

Specific new rules for several procedures, such as individual and collective vacation, possibility of holidays anticipations, utilization of extra hours credits and suspension social security compulsory discount (FGTS) for three months with subsequent installments.

The Government also evaluates some changes in payroll charges, such as a 50% reduction in the compulsory contribution to some entities or funds (like the "S" System) for three months.

Bulgaria

COVID-19 trend per country

In Bulgaria, there are currently 750 infected people, 81 healed and 35 registered deaths. The peak of the epidemic is expected to happen mid of May.

Regulations and Restrictions due to COVID-19

On March 13th, 2020, the Bulgarian Government announced a state of emergency followed by imposing strict quarantine measures - for now, the state of emergency is active until May 13th, 2020. All schools and universities are closed. There is currently no ban on leaving homes, though authorities are constantly urging people to leave only when clearly needed - for work or for food. During the state of emergency, a number of other restrictions apply - time limits (for visiting certain grocery stores at specific intervals), traveling outside cities, etc., and some municipalities have imposed evening hours. Employers were advised to introduce distance forms of work where possible and, where impossible, to comply with strict rules on disinfection and distance between workers. The Bulgarian Government has banned the entry of third-country (non-EU) nationals, into the country. This includes all third-country nationals at all border crossing points and includes aviation, maritime, rail, and road. People without symptoms are advised to stay home. On March 23rd, 2020, the Government adopted legislative changes to meet the economic needs of the business and the individuals. Generally, the changes concern extension of the legally established deadlines for tax reporting and payment by both businesses and individuals. For the first 3 months of the declared state of emergency, the National Social Security Institute will pay 60% of the employees' salaries, but only to employers, included in an order of the Council of Ministers.

Bulgaria is putting all possible efforts to curb the spread of COVID-19 infection, and the dimensions of the crisis cannot yet be assessed and predicted.

Concrete client examples of recurrent issues and mitigation

The modern business services sector is short-term least affected due to its digitalization and adaptability.

- ▶ The companies managed to reorganize and apply 100% work from home after the state of emergency had been announced
- ▶ By end of March the companies show no decrease in productivity
- ▶ Slight impact due to customers in highly affected sectors (e.g., tourism) - reshuffling resources to projects/customers with higher demand
- ▶ No network infrastructure/connectivity issues are reported

- ▶ The maturity of the sector's ecosystem led to uniting resources from BPO and IT companies in support of the Government and donation of:
 - 15,000 man-hours for work on critical and key e-health system of the state administration (in process)
 - Mobile application for real-time virus status tracking (already live)
 - Analysis of the ongoing business transformations and impacts on the public sector and social systems caused by the COVID-19 pandemic (the process)

Legal situation for HR-related issues

With respect of the work outside of the premises of the employer

Unlike the previous provisions, under which the transition to a home office or distant work could be introduced by signing a bilateral agreement between the employer and the employee, under the new provisions, in the event of a state of emergency, the employer has the right to assign work from home and distant work unilaterally.

With respect to the possibility to impose mandatory annual paid leave

Under the new Article 7 of the State of Emergency Measure and Actions Act, employers are entitled to grant up to 50% of the annual paid leave to their employees without their consent. Under the transitional and final provisions of the new Act, however, new articles are introduced in the Labor Code. According to the new provisions, a case under an employer's order or an order of a state body, the work of the enterprise has been suspended, the employer has the right to force the employees to use their annual paid leave without their consent. It seems that the new wording of the Labor Code allows for the granting of the whole outstanding annual paid leave, contrary to Article 7 of the State of Emergency Measure and Actions Act.

It should be also noted here that the new provisions make it possible to suspend the work of the whole undertaking, part of it and even only of individual employees.

The question also arises as to whether such employees can be considered in a state of suspended operation of the enterprise in accordance with the "old" provisions of the Labor Code, which, generally enable the employer to dismiss such employees.

In addition to the above, under the new State of Emergency Measures and Actions Act, employers are subject to an obligation, upon request by the employee, to grant leave to employees using special protection under the Act (e.g., pregnant employees, disabled employees, employees suffering from certain diseases).

In respect of the "price" of the suspension of work

A new provision in the Labor Code stipulates that employees are entitled to their gross remuneration for the duration of the suspension of work due to the state of emergency. It would be payable by the employer in full as far as such suspension of works would certainly not be for reasons to (in which case the employee would lose his/her right to remuneration).

On the support offered by the state

Under the new Act, the National Social Security Institute will cover 60% of the amount of insurable income for certain employees. The reference month is January 2020 and additional criteria will be laid down in separate acts. In case the employer fails to pay the full amount of the employees' remuneration for whom they have received the above funds, the employer will have to reimburse them. Based on the information which is currently available, it seems that only a limited number of businesses will be able to benefit from this additional support and they should carefully consider their strategy in order to preserve and benefit from such right.

Chile

COVID-19 trend per country

Based on official numbers there are almost 8,300 infected and 95 dead people as of April 14th, 2020. New daily cases are stable averaging 350 new cases the last three weeks, between a range of 200 and 400, giving a linear trend. The infection peak is expected for late April / early May.

Regulations and Restrictions due to COVID-19

The national frontiers are closed until April 22nd, 2020 with a possible extension. There is a national daily curfew for 5 hours.

Lock down measures are being taken partially and gradually to certain zones. Currently, 10 municipalities implemented restraints (+50% of confirmed cases are in Santiago capital city); critical activities are allowed applying safety measures in these areas: health services, food manufacturing and distribution, supermarkets and groceries stores, security (police, army, firemen), media and newspapers, etc. This situation started on March 26th, 2020 and it changes on weekly basis.

The Government implemented two packages of economic measures, the first being most relevant: it includes an increase in the health care budget, two laws to protect formal employment, postponement of tax payments focused on SMEs, the acceleration of payment of state providers. In the second package: \$ 2 billion fund for the benefit of informal workers, and lines of credit being state-guaranteed with a total of \$ 24 billion aiming at SMEs.

Concrete client examples of recurrent issues and mitigation

Not all organizations are prepared for home office, new cybersecurity threats are present. Companies are trying to keep the normal operational level but it's difficult to have all the resources in place to work remotely. Payments are delayed so the cash-flow situation of most companies is complex.

As for most countries, travel, tourism and HORECA sectors are vastly hit and struggling, having to take such decisions as the cease of operations.

Legal situation for HR-related issues

Labor laws protect the workers and were modified on March 26th, 2020 to include regulations on working remotely and home office. Some companies are sending employees on vacation (but forced vacations are legally viable only if the worker has more than 30 leave days accumulated), together with two directions given by the Government allowing employers to cease wage payments to workers. Salary payments will be taken from the unemployment insurance, according to the rules of current use, but maintaining the employment relationship and all their labor rights, so the employer will continue to pay worker's contributions (retirement fund, health insurance and required income taxes).

Also, a law has been passed concerning the reduction of working hours with compensation of the decrease in an employee's remuneration with resources from the Solidarity Unemployment Fund.

China

COVID-19 trend per country

The infection peak was in early to mid-February. China extended the Chinese New Year Holiday, and asked people to work from home in February and March to achieve lower infection rates.

Regulations and Restrictions due to COVID-19

Wuhan was locked down, other cities have VERY strict control on transport but didn't lock down officially. For a certain period - they enforced people to stay at home even at compound level and enforced 14 days quarantine for people who travelled between cities. When the situation outside China deteriorated, China enforced 14 days quarantine for people who enter China from abroad with current closure of borders for all foreign travelers.

Concrete client examples of recurrent issues and mitigation

- ▶ How GBS organizations currently react to the situation:

Organization and People Management

- ▶ Emergency response plan
- ▶ "Double 1-3-1" working method
- ▶ Employee health data management
- ▶ BCP activation and work reallocation for SSC with multiple regional hubs

Digitalization and IT

- ▶ Reliable VPNs
- ▶ Online working software
- ▶ Fully utilize RPA and focus on job dispatching and monitoring
- ▶ Flexible configuration of bandwidth and server

Data Security

- ▶ Encrypted data transmission, storage and destruction

Performance and SLA

- ▶ Refined KPIs to avoid impacts on team morale
- ▶ Proactively adjusted SLA based on MTPD

Colombia

COVID-19 trend per country

Colombia has 3,000 cases with 127 deaths so far (as of April 15th, 2020). The peak of infections is expected by end-April. The Colombian Government has estimated potentially 200.000 cases with 5% of total deaths.

Regulations and Restrictions due to COVID-19

Since March 20, Colombia is locked down and this situation will last until April 26th, 2020. It impacts all sectors, except those which are fundamental (Food, Pharma, Utilities and Health Services). National frontiers are closed.

86% of the population has been deeply impacted by the situation. GDP forecast was 3.5% before of COVID-19, but now the best scenario is -2.4% (according to WEF by April 15th ,2020). Unemployment will rise by 22% (forecast).

The Government is permanently monitoring the frontier with Venezuela for migration issues.

Concrete client examples of recurrent issues and mitigation

Most of GBS/SSC is focused on having the lights on. Transactional processes continue to be fundamental for operations. However, not many organizations are prepared for remote operations.

Many organizations are slowing down operations and are having critical cash flow situations.

In this situation, several GBS organizations are redefining priorities. Probably modernizations and digital transformation projects will be by refocused on productivity, cost reduction, right-sizing and resetting operations in low-cost operation sites.

Legal situation for HR-related issues

Official guidelines are related to:

- ▶ Economic subsidy for unemployment
- ▶ Tax returns (VAT)
- ▶ Financial support for key industries
- ▶ Pension funds support

Further specific subjects are in progress to be regulated.

Costa Rica

COVID-19 trend per country

The country has imposed several measures to contain the spread of the virus. Borders have been closed to foreigners and citizens/residents. Those who return to the country, have to comply with a 14-day quarantine which is supervised by Government officials. Authorities expect a peak in late May depending on the new case trends. Private labs have been authorized to conduct tests at accessible prices to the population. The Government is working to inform its citizens and to reassure hospital capacity for people who need care. As of April 15th, 626 cases have been confirmed and only 4 people have passed away (mortality rate 0.64%). Daily reported cases have been declining but the Government is still proceeding with caution.

Regulations and Restrictions due to COVID-19

Entertainment venues, gyms, education centers, and other establishments have been closed indefinitely. There is a strict vehicle circulation restriction at night on weekends from 7pm to 5am. Restaurants and shopping malls have to operate at a 50% maximum capacity. The Government has strict work from home policy for several employees based on positive experiences from the private sector. The Government passed a law that allows businesses to suspend temporarily labor contracts in order to preserve jobs and avoid a significant spike in the unemployment rate. In addition, a stimulus plan has been approved but economists consider that it won't have a positive effect on the economy. The plan includes: loan guarantees, tax breaks, and payment deferrals, unemployment checks to people who lost jobs, amongst others.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is almost fully established among most of the shared service centers;
- ▶ There were some initial challenges because not necessarily all SSC had a BPC and remote working approach implemented.
- ▶ Some of the SSC / GBS organizations have staffing issues due to the crisis.

Legal situation for HR-related issues

The Labor Ministry is handling unemployment cases, labor termination agreements and is reviewing if companies who have submitted temporary contract suspensions, qualify. Unfair job termination cases are reviewed by officials in order to determine if companies complied with the law and employees received severance payments.

Czech Republic

COVID-19 trend per country

- ▶ There are currently 5,312 people infected with COVID-19 in the Czech Republic. 676 patients have recovered from the disease. 163 people died with the new coronavirus.
- ▶ According to the director of the Institute of Health Information and Statistics of the Czech Republic, there will be approximately 10,000 confirmed patients with COVID-19 by the end of April.
- ▶ The infection peak is predicted to occur by the end of April/early May. Estimates, however, vary based on compliance with established countermeasures and may be significantly influenced by the gradual planned easing of measures.
- ▶ Self-imposed restrictions and other Government-imposed restrictions seem to be working in favor of decreasing the infection rate as indicated by R-value (reproductive number) which is equal to 0,8.

Regulations and Restrictions due to COVID-19

- ▶ The state of emergency extended until April 30th, 2020.
- ▶ Lockdown the entire country is still in place, people allowed to commute only for critical reasons (work, family, groceries, etc.) but since last week more shops are being opened.
- ▶ The Government published a scenario of five stages of easing from April 20th, 2020 to Monday June 8th, 2020. Firstly, shops linked to crafts, farmers' markets, car bazaars and car showrooms will open. Restaurants will open by the end of May. Lastly,

shopping centers and shops over 1000 square meters will open. Restaurants can still operate in the form of a sales window/delivery.

- ▶ Borders are closed and it is not allowed to leave or enter the country. Czech citizens returning from anywhere from abroad have to undergo a two-week self-quarantine. Ground transport is also limited to domestic services only. The free movement of people in the country is restricted. Only necessary routes (work, family, groceries related trips) and trips to nature (parks, etc.) are allowed.
- ▶ It is mandatory to wear a face mask while in public. A maximum of two people can gather in public.
- ▶ The Government explicitly recommended that employers should use as far as possible home office if employees can do it at their place of residence.
- ▶ Vast majority of Centers managed to deploy work from home for all their employees.

Concrete client examples of recurrent issues and mitigation

- ▶ Vast majority of centres adopted the 'new normal' and work remotely. Strict rules apply for any required office visits, however work from home is in most cases strongly recommended option, not mandatory.
- ▶ The connectivity and collaboration issues were mostly resolved.
- ▶ Main focus remains on people, their well-being and communication.
- ▶ Some centers report a drop in volumes due to stopped or limited business operations vs. some take up additional volumes from China and the APAC region.
- ▶ Many centers are launching cost savings initiatives:
 - ▶ Many projects stopped/postponed
 - ▶ Reduction of external services
 - ▶ First announcements re: forced vacations / working time reductions / salary cuts

Legal situation for HR-related issues

- ▶ The Government calls on employers not to lay off their employees unnecessarily, so as to not raise the wave of unemployment. To support this, the Government has introduced the program "ANTIVIRUS" which has launched April 1st, 2020. This program includes the following:
 - Employers pay 60 percent of the earnings base to people in quarantine. Majority of these expenditures should be reimbursed to the employer by the Labor Office.
 - Employees of operations closed as a result of introduced Government measures should receive their full average earnings according to the Labor Code. The state should pay 80 percent of it (not applicable for GBS sector, as for now)
 - Interest-free loans for SMEs to finance the damage caused by the introduction of restrictions to decrease the spread of the virus (not applicable for GBS sector)
- ▶ It is possible to agree on taking unpaid leave only if it corresponds with employee's interests. However, such a condition must be an agreement of both parties. The employer cannot unilaterally order the employee to take compensatory leave.
- ▶ To allow companies to hire new employees, the Government has lifted the legal requirement for a medical check and replaced it with a health declaration by the future employee.
- ▶ Vast majority of the Government support focused on SMEs and closed businesses or companies whose production is restricted due to quarantine or reduction or closure of production.
- ▶ If businesses reduced operation or temporarily closed their operation due to a decline in demand for services, products and products, employers pay 60% of the earnings base to its employees. 60 percent of these expenditures are reimbursed to the employer by the Labor Office with the maximum of CZK 29,000.

Hungary

COVID-19 trend per country

As per a current Government communication the infection peak is expected to happen by May in Hungary.

There is a credit moratorium in place that is applicable until the end of the 2020 equally for companies and private individuals.

The healthcare system is starting to experience difficulties, more and more hospitals are being declared COVID-19 centers. Furthermore, there are issues with secondary care facilities to which COVID-19 patients are taken from hospitals. However, mitigation actions were taken in the past days and the situation starts to get back to normal.

Regulations and Restrictions due to COVID-19

- ▶ The country-wide lock down is extended until further notice. People are advised to go to work, groceries and pharmacies, only, however it is not restricted to go for a walk, for example. It is required to keep a distance of 1.5 m from people that do not live in the same household.
- ▶ Borders are locked for individual travel. However, there is an exception in place for people who are commuting at the Hungarian-Slovakian and Hungarian-Romanian borders. People who live within a radius of 30 kilometers to these borders can still commute.
- ▶ Air transport is very limited and is mostly focused on repatriation of Hungarian citizens and nationals and on the transport of foreigners from the country. Airlines started to operate flights for cargo instead of passenger travel.
- ▶ Truck traffic is not restricted, so international trucks are allowed to enter the country (stops at limited number of petrol stations and use of certain roads/routes within the country, only).
- ▶ Shops other than groceries, pharmacies, and petrol stations can only be open till 15:00. Restaurants can be open based upon take-away service.
- ▶ Schools went on remote teaching. Schools and daycares are not closed though by the law, to make sure that they can deal with kids whose parents cannot manage supervision for them. The maximum number of kids in one group is limited to 5.
- ▶ Furthermore, following economic actions were taken:
 - An economic recovery plan is in place, not only for SMEs but larger organizations as well.
 - VAT reimbursements will be faster, maximum 30 days
 - In terms of liquidity help, there are two options for large corporates:
 - The national bank of Hungary extends the bond for growth program (they are purchasing corporate bonds)
 - EXIM damage mitigation loan and guarantee program - can be used by companies who are experiencing difficulties since February 2020 and are part of an export value chain (doesn't have to be the exporter); these companies have access to very attractive loan conditions for capex or working capital purposes.

Concrete client examples of recurrent issues and mitigation

All GBS centers established remote work and reported no issues so far:

- In two cases productivity improvements have been reported, due to people working more from home than from the office, this is expected to be back to normal when proper time management is being established by people.
- Slight productivity issues have been reported due to internet connection of employees living in the countryside.
- Some sectors experience serious issues, e.g., the car rental business which is already in restructuring mode.
- Very limited attrition rate is reported by almost all companies: people are taking a safe approach and do not change jobs.

Legal situation for HR-related issues

An important part of the Hungarian economic recovery plan is that, in case an employee needs to reduce worked hours, the state will support 70% of the employee's salary on lost wages for 3 months. There are special regulations in place for engineers and people working in R&D areas.

India

COVID-19 trend per country

- ▶ As of April 15th, 2020, according to the Ministry of Health & Family Welfare, a total of 11,439 COVID-19 cases have been reported. Of these, there are 1,306 recoveries and 377 deaths.
- ▶ ~80% of the confirmed cases are from eight Indian states with Maharashtra (Mumbai and Pune cities) being the most affected (~24% of the confirmed cases).
- ▶ As on April 15th, 2020 a total of 223 labs (157 Government & 66 private laboratories) are conducting a rigorous screening process.

- ▶ Government has approved locally made Test kits from pharma manufacturers to ramp up testing. India currently has a “Tests per million” ratio of 177.

Regulations and Restrictions due to COVID-19

- ▶ National lockdown has been extended to May 3rd, 2020 with certain relaxations from Apr 20th, 2020
- ▶ Following are the key guidelines pertaining to the lockdown (as on April 15th, 2020):
 - All domestic and international air travel has been suspended except for selected medical services
 - All educational services, public transport, hospitality services will remain prohibited until May 3rd, 2020
 - All visas except for diplomatic, official, UN/international organizations, employment and project visas are suspended
 - Select activities related to the following industries, will be allowed in States/ Union Territories from April 20th, 2020, based on strict compliance to guidelines: agriculture & related services, plantation, fisheries, animal husbandry, social sector, courier services, IT and ITeS (50% strength), data and call center (Government activities only), E-com services, industries in rural areas, food processing, coal, oil and gas refineries, and construction sector
 - Government will identify critical hotspots; with containment zones within them. No inward and outward movement of people will be allowed within the containment zones. None of the above-mentioned activities would be permitted in the hotspots and containment zones.
- ▶ Following are the key workspace guidelines for private offices opening from April 20th, 2020:
 - Arrangement for temperature screening and sanitizers
 - Gap of one hour between shifts and staggered lunch breaks for staff
 - Employees above 65 years of age and parents of children below 5 years to work from home
 - Large meetings are prohibited
 - Continuous sanitization of work premises
 - Special transportation facility (restricted to 30 - 40% capacity) to be arranged without dependency on public transportation
 - Mandatory medical insurance
 - Mandatory thermal screening, guidelines for seating arrangements, usage of lifts

Concrete client examples of recurrent issues and mitigation

Challenge: Execute remote Quarter Close activities remotely/working from home (for the first time) for global F&A function

Mitigations implemented:

- ▶ Setting up a Tracking Office with representatives from all subprocess within Finance, to expedite monthly close procedure and approvals
- ▶ Proactive planning for resource and effort requirements to revamp Quarter Close schedule
- ▶ Arranging Government-issued passes for critical employees to work in office premises for 2-3 days to access data-heavy files (transportation, accommodation and stay for the critical employees were arranged by the organization in nearby Guest Houses)
- ▶ Utilizing communication tools like Zoom, Microsoft Teams to regularly connect with Business Unit locations for journal reviews, intercompany reconciliation queries, etc.
- ▶ Augmenting IT Team with additional resources and putting them on 24 hours stand by to address any unforeseen technology challenges

Challenge: Managing transition effectively in a remote environment and adhering to project timelines for a US Retailer

Mitigations implemented:

- ▶ Virtual onboarding of GBS associates and home delivery of Laptops, wi-fi dongles & headphones through a security agency
- ▶ Client IT team/helpdesk working closely with resources to address issues real-time
- ▶ Daily governance calls to seek feedback and take necessary actions for operational issues, so as to make the training and work shadow sessions effective
- ▶ Video capturing of all training sessions for future references
- ▶ Frequent review of the Transition plan to course correct, if required

Legal situation for HR-related issues

Talent Management

- ▶ The Ministry of Labor & Employment, Government of India advised on March 20th, 2020 that all public and private organizations are to refrain from terminating the services of their employees or reducing their wages
- ▶ Hiring freeze has been widely executed across corporates

Employee Benefits & Engagement

- ▶ 1:1 check-in call from COVID-19 volunteering team to employees who stay alone
- ▶ Employee assistance helpline for quick help, emotional support, etc.
- ▶ One-time blanket pay-out across levels to cater to any employee needs (no bills needed) - e.g. Wi-Fi, essential, etc.
- ▶ For employees testing positive for COVID-19, medical insurance support along with unlimited paid leave has been provided
- ▶ Increased stress on employee mental and physical fitness

Ireland

COVID-19 trend per country

The country is at a "delicate and critical point" in its response to the coronavirus outbreak, according to Liz Canavan the assistant general secretary at the Department of the Taoiseach. The current number of cases as at April 15th, 2020 on island of Ireland is 12,547 with number of deaths stand at 444. While there is some optimism that the Republic may not be hit as hard by COVID-19 as Italy, Spain and the UK, it is still too early to say what may happen in the weeks ahead.

Regulations and Restrictions due to COVID-19

Restrictions have been incremental since mid-March. Ireland had a general election in February and only has a 'caretaker Government'. However, there has been cross party agreement and cooperation to pass legislation needed for this crisis. On April 9th, 2020 the Government in Republic of Ireland made another announcement and extended the lockdown period for another three weeks until May 5th.

Summary key restrictions in place:

- (1) Only essential workers can continue to travel to work, everyone else must work from home. Non-essential services and retail closed
- (2) Only leave home to shop for food or essential items
- (3) Only essential stores (food, pharmacy) are open unless there is a delivery service
- (4) Over 70's must stay home. People can exercise only within 2km of home but only with members of same household.
- (5) Public transport restricted to essential workers only

All schools, colleges etc. closed. Childcare facilities also closed. Schools are not likely to reopen until after summer vacation (September) and some state exams have been cancelled / postponed.

Air Transport still operating on a limited basis but passenger numbers down 95%. Cargo still coming in and out of the country, borders remain open.

There has been significant increase in businesses moving to a delivery model (restaurants and food providers) as

Financial Services - there is a moratorium on mortgage payments for 3 months for people who have lost their job due to COVID-19. There is also a moratorium on notices to leave rental accommodation and a moratorium on rent increases for the duration of the COVID-19 pandemic

General compliance and cooperation with population - has been no issue with food supply chains etc.

Concrete client examples of recurrent issues and mitigation

Key trends

Many GBS organizations equipped for remote work to some degree - the challenge has been to ramp up to 100% of remote working with all employees and keep operations going

Network capacity (and VPN access) causing issues

As schools and childcare facilities are closed employees are trying to significantly flex working hours amidst homeschooling.

1 Client Example (Utilities Client)

Remote access possible for staff but working from home is not the cultural or accepted norm. Additionally, employees must have their own laptop or home PC to do so. The company is trying to source additional laptops for employees who don't have home laptops (or spouses also working from home so only one in the household)

The client organization is currently adding an FP&A CoE to its GBS centre: this project is continuing remotely, not interrupted. However, the decision on actual 'go live' will not occur remotely.

Critical projects continue (e.g. SAP s4 upgrade). Non-critical projects being assessed on a case by case basis

#GBS Client B Multinational Manufacturing Organization

No official homeworking policy but all GBS employees set up to work from home. All infrastructure is set up online. No real technical issues as the client company is having a relatively new GBS centre

Fully paperless, positive upside: suppliers paying by cheque have switched to EFT

In terms of productivity, teams doing daily catch up. Work has not been interrupted.

Month end going smoothly, people are able to work with no interruptions

There is some Knowledge Transfer ongoing for new entity migrations which is proceeding remotely

All GBS employees moved to a 4 day week from April onwards to counteract and manage the negative revenue effects from drop in sales.

Legal situation for HR-related issues

So far financial measures put in place amount to approx. €3.7bn for 12 weeks to ease the burden across companies and employees

(1) Government introduced a payment of €350 per week for anyone who loses job due to COVID-19

(2) There is a wage subsidy scheme in place to help employers keep people employed if their business has been affected, refunding fund employers up to a maximum of €410 per week per employee.

(3) Redundancy payments cannot be claimed between the March 13th, 2020 to May 31st, 2020

Labor laws remain the same (e.g., as far as unfair dismissal etc.)

Expedited process for hiring healthcare staff (e.g. former nurses, retired doctors).

Latvia

COVID-19 trend per country

- ▶ As per April 13th, 2020 there are 653 confirmed cases with 5 deaths and 16 recovered people.
- ▶ The Latvian Government business relief program amount is now approximately **4 to 4.5 billion EUR** and also includes downtime allowance payments for self-employed people and owners of micro-enterprises (specific rules apply).
- ▶ Entrepreneurs can receive support by applying to the state-owned development financial institution for working capital loans and credit guarantees (specific rules apply).
- ▶ State and municipal owned companies have temporarily exempted entrepreneurs in COVID-19 crisis affected sectors from rent payments or decided on rent reduction.

Regulations and Restrictions due to COVID-19

- ▶ **State of emergency** has been extended until **May 20th, 2020**, all restrictions are still in place and apply.
- ▶ **Administrative fine** for breaking self-isolation and/or quarantine and/or any of the state of emergency restrictions has been raised and could now reach **up to 2,000 EUR for a natural person and up to 5,000 EUR for a legal person**. This has been applied already.
- ▶ International passenger transport connection is halted, new repatriation flights are to take place during 14th - 16th April 2020 which will bring home the citizens of the three Baltic States, followed by flights in the upcoming weeks.
- ▶ Some inland bus connections are being cancelled temporarily due to the lack of passengers.

- ▶ Learning processes in all educational institutions is taking place remotely. All practices, camps, competitions and rehearsals within the framework of cultural education, sports and interest education programs have been cancelled, only on-call groups in childcare facilities are operating.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is enabled, but it is not possible everywhere, so people who have no other alternatives still travel to work by public transport but by complying with the necessary distancing restrictions.

Legal situation for HR-related issues

- ▶ Most businesses have enabled remote working conditions.
- ▶ Downtime allowance for the employees of businesses forced to close for the duration of the state of emergency / crisis: **max 700 EUR per employee for 2 months**, should comply with specific financial criteria.
- ▶ Legally, businesses are not allowed to force employees to go on unpaid vacations. However, collective lay-offs have been submitted by multiple businesses.

Lithuania

COVID-19 trend per country

- ▶ The infection peak is predicted to be in early May, but the infection rate is slowing down, which might bring the peak to occur as early as end of April.
- ▶ As per April 14th, 2020 there are 1,070 cases with 25 deaths and 101 recovered persons (population 2.87 million). The biggest issue is a very high number of infected medical personnel.
- ▶ Restrictions imposed by the Government seem to be positively affect the infection rate. Shortages of medical equipment are being taken care of. In addition to COVID-19 test points situated in local hospitals, there are mobile test points operating in the big cities, starting from March 18th, 2020.
- ▶ There is strong support from Lithuanian businesses: raising funds, allocating production capabilities towards medical gear, organizing hackathons, etc.
- ▶ The Lithuanian Government endorsed a package of business relief measures of 2.5 billion Euros that allows companies to cover running costs.
- ▶ Companies and individuals can defer the payment of taxes (incl. tax-deferral for commercial real estate owners). Companies and individuals affected by the COVID-19 crisis are eligible for deferral of loan payments for 3-6 months.
- ▶ Starting from April 14th, 2020, small and medium-sized enterprises can apply for loans in the event of shortages of working capital due to disruptions in settlements with buyers or/and partners. The maximum loan amount is 100 thousand Euros.

Regulations and Restrictions due to COVID-19

- ▶ A country-wide lock-down was imposed on March 14th, 2020 which has been made stricter and extended until April 27th, 2020. All cafes, shops (except grocery stores and pharmacies), client servicing points, education institutions have been closed, people are not allowed to gather in groups larger than 2 people, etc.
- ▶ Residents are not allowed to leave, and foreigners are not allowed to enter Lithuania with some special exceptions. Residents coming back from foreign countries must self-quarantine for 14 days. The Vilnius municipality developed a mobile app with partners that is supposed to help in monitoring quarantined people.
- ▶ Ground transport has not been restricted currently, but it is advised to avoid it. No areas/cities have been closed as of now (except for Easter weekend during which commute between cities was restricted and highly regulated)
- ▶ The police is highly vigilant about people not wearing masks during commuting
- ▶ The Government plans to publish a preliminary plan to gradually ease the quarantine restrictions if the situation remains stable. The first stage would be to partially liberate small and medium-sized enterprises operations, the second stage would include outdoor cafes, sports, health services.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is almost fully realized and becoming a new normal; initially there were some challenges in transitioning to remote working, some organizations lacked equipment, but managed to cope with it in a timely manner for the most part.

- ▶ No major issues with work/productivity monitoring. However, some organizations don't have the optimal tools for that.
- ▶ Utilization and speed of performing tasks seem to be mostly unaffected (productivity might be slightly decreased, but it is compensated by not having various trainings and other activities etc.)

Legal situation for HR-related issues

- ▶ Companies are strongly recommended to enable remote working if it is feasible to do so, and most businesses are following this recommendation.
- ▶ It is the duty of the employer to take common measures against the spread of infection- sanitization of common workplace areas, etc.
- ▶ Most companies are not reacting as they did to the last financial crisis (businesses are currently trying to hold off on downsizing and assist each other).
- ▶ Businesses can announce forced vacation for employees due to objective circumstances (reduced orders, stoppages, etc.) e.g. the employer is no longer able to provide the employee with a job. Period of inactivity can be announced for a fixed or indefinite period.
- ▶ There is a downtime allowance available for the employees of businesses forced to close for the duration of the state of emergency / crisis: max 910,50 Euros subsidy that should comply with specific financial criteria.
- ▶ Self-employees can apply for the benefit payment.

Philippines

COVID-19 trend per country

- ▶ As of April 15th, 2020, the current number of COVID-19 positive patients is at 5,453. Total fatalities at 349 (6%) while the total number of recovered patients is at 353 (6%). In the last two weeks, positive cases have increased by more than double, fatalities by more than triple and recoveries by more than seven times. With the on-going data, the experts are still unable to clearly estimate when the peak of the infection curve will happen. A mass testing needs to be implemented and more data need to be made available.
- ▶ There are now 16 Certified Laboratories in the country that are capable of conducting real-time RT-PCR for COVID-19. The Department of Health (DOH) continues to strengthen testing capabilities of different laboratories across the country as they started implementing mass testing on April 14th, 2020. 47 other laboratories are now in the process of certification. DOH targets to increase rapidly the testing (about 8,000 per day) from the 43,500 total tests made as of April 13th, 2020 on 38,103 individuals.
- ▶ Several Government hospitals have now been dedicated for COVID-19 "confirmed" patients and more Government-owned assets like stadiums, convention centers, sports complex, ships and even the presidential yacht have been converted into quarantine facilities for "suspect" or "probable" tagged individuals and for the thousands of Overseas Filipino Workers (OFWs) that are now being repatriated across the globe.
- ▶ The Government, private sector and citizens are working together to actively support and boost the morale of frontline health workers. The Government support can be seen through nationwide free ride, anti-discrimination laws, additional compensation and allowances, and distribution of PPEs to both public and private hospitals. Some manufacturing companies and businesses have converted their facilities in order to produce essential health commodities such as alcohol, masks, PPEs, etc. Citizens continue to raise funds to donate PPEs, sanitation tents and food while some hotel, construction and architecture companies extend accommodation and lodging facilities near the hospitals.

Regulations and Restrictions due to COVID-19

- ▶ On March 16th, 2020, the Government placed the entire main island of Luzon in an Enhanced Community Quarantine (ECQ) effective March 17th, 2020 until April 12, 2020 (4 weeks), in order to implement strict social distancing and stay-at-home policy aiming to flatten the infection curve early. Exempted were healthcare workers, police, military, food and basic commodities supply, banking and remittance centers, and BPOs. After a week, due to increasing cases of COVID-19 positive patients in Cebu (Central Visayas), the entire island was also placed under ECQ to avoid further community transmission. No public transportation is available. Other provinces soon followed in implementing ECQ. An Inter-Agency Task Force (IATF) was formed to lead the management of the pandemic.
- ▶ On April 6th, 2020 (a week before the end of the ECQ), the President extended the ECQ in the Luzon island for about 3 more weeks, to end by April 30th, 2020. This is now also applied to Cebu's ECQ end date that started on March 28th, 2020. During the extension, the Government aims to launch mass testing to further assess the severity of the infection and estimate the timing of the possible peak of the curve. The IATF is also consulting with the business sector leaders and Government advisors to plan what's next for the post-ECQ scenarios, the emergency measures and economic stimuli to jumpstart the economy.

- ▶ Various proposals are being evaluated and in a recent communication from the President it was stated that the Government may not be able to lift the ECQ at once without the availability of anti-bodies. Even with various proposals, there's a consensus that a modified quarantine will continue including stringent social distancing in order to further flatten the infection curve and prevent a second wave of infections. Thus, it is expected that the workforce will be allowed back to work gradually only, starting with industries closest to essential ones that have been exempted early on. Some proposals also mention that those industries that are able to effectively conduct most or the majority of their businesses through work from home arrangements (e.g., BPO and GBS/SSCs, Accounting or Auditing firms, etc.) might be at the tail-end of those that will be allowed to work on site. Also, companies allowed to work on site might only allow half capacity on the ground while the other half of their workforce is required to continue work from home. Alternatively, two or more shifts (whenever applicable) shall be created in order to comply on stringent social distancing in the office premises.
- ▶ A bill, called the Bayanihan Heal as One Act has been passed into law last week which allows the Executive branch of the Government access to 275Bn PHP of funds to be used for projects related to socioeconomic aid, ease in procurement of PPE and hospital equipment, and collaboration between public and private sector as needed to support the fight against COVID-19.
- ▶ By means of the bill, a total of Php 922 million of emergency subsidies have been distributed to 170,989 low-income families and the Department of Finance (DOF) is set to launch the Small Business Wage Subsidy Program, which aims to provide a Php 5,000-8,000 cash subsidy for up to two months to 3.4 million middle-income employees of small businesses.
- ▶ The Local Government Units (LGUs) were given power to implement and manage ECQ in their respective cities/municipalities and in providing relief goods to those impacted by ECQ. They are also required to issue one quarantine pass to the representative identified per household that will be allowed to go out to buy food and other basic commodities.
- ▶ Companies not exempted are required to adapt work from home (WFH) as an alternative work arrangement in order to continue operations. BPOs (including GBS/SSCs) although were exempted initially, were initially given a week of window time to enable WFH or provide lodging for those that will report on-site on skeleton workforce. With the recent extension of the ECQ, BPOs and GBS/SSCs are again given a window time to deploy equipment and enable more employees on WFH arrangement and provide point-to-point shuttle services for employees within 5-kilometer distance from the office to the employee residence or the lodging/accommodation provided.
- ▶ In-bound international flights are still limited and only allowed for returning or repatriated citizens to PH. Upon arrival, they will be put on a 14-day quarantine to further limit local transmission. No local or domestic flights/travel allowed. Out-bound international flights were initially put on hold for few days but were eventually allowed for foreigners exiting the country.
- ▶ Checkpoints are still situated in every Local Government Unit (LGU), and movement from one LGU to another are only allowed if you have a pass and qualify as an exempted resource persons per regulation (e.g., healthcare workers, certain govt employees, bank employees, BPO and GBS/SSC employees, those involved in logistics for food and basic necessities).

Concrete client examples of recurrent issues and mitigation

- ▶ BPO contracts with selected clients do not allow WFH - at the moment some BPO providers converted their offices to make-shift dormitories to allow certain employees to stay in the office during the extended ECQ.
- ▶ Connectivity issues - intermittent internet connection in certain areas in the country.
- ▶ Desktops provided to employees vs. laptops - some companies have resorted to procuring laptops and sending them from onshore to MNL, but limited cargo movement is hampering easy delivery of the laptops to their local offices or employee residences. Some have resorted to "renting" their employee's personal laptops or computers while they are still waiting for the company-provided laptop.
- ▶ Some BPOs and GBS/SSCs were not able to dispatch desktops to their resources to enable WFH during the window period. With the ECQ extension comes the additional window time provided by the Department of Trade and Industry (DTI) in distributing equipment to enable WFH, thus resolving the initial problem. Some GBS/SSCs start-ups initially delayed the start date of incoming new hires. After the ECQ extension, they are now resuming the hiring since they are now allowed to distribute equipment to new employees.
- ▶ Employee engagement is widely taken care of: daily video calls, virtual group activities to continually engage with employees. Measurement of productivity has been a new challenge in a remote work set-up.
- ▶ Planned projects or initiatives were initially postponed. Given the ECQ extension and the uncertainty of the timing of its lifting, BPO and GBS/SSCs are now finding more effective ways to conduct virtual on-boarding and trainings and the planned projects that have been initially put on hold are now being resumed based on a new plan and timing that assumes majority of work as performed remotely.
- ▶ After much focus on "normalizing" the operations, many BPO and GBS/SSCs are now focusing their effort on planning their new ways of working post-ECQ or under a modified quarantine regulation and how to make their centers more resilient. This resulted to more conversations and sharing happening across various leaders of BPO and GBS/SSC organizations.

Legal situation for HR-related issues

- ▶ Potential layoffs require a minimum 30-day notice and, depending on rank and tenure, a potential provision of a separation payment and pension.
- ▶ Many BPOs and GBS/SSCs companies ensured continuous payroll for employees during the ECQ period (even for those that were not enabled to WFH which means they are not really working). This can be a potential legal issue (especially as Philippine labor laws are pro-labor in nature) if the ECQ will be further extended and a different approach needs to be taken by these companies' Management regarding payroll.

Poland

COVID-19 trend per country

- ▶ More than 7,000 people have been diagnosed COVID-19 positive as of April 14th, 2020
- ▶ The infection peak is expected for the end of June
- ▶ New security rules have been implemented: since April 16th, 2020 everyone is obliged to cover their mouth and nose while being in public places

Regulations and Restrictions due to COVID-19

- ▶ Lockdown-type control measures started on March 10th-12th 2020, by announcing the "state of epidemic emergency", resulting in a closure of all schools, university classes and cancelling mass events. Schools will remain closed until April 26th, 2020
- ▶ On March 20th, 2020 Government announced the second (out of three) level of emergency that is the "state of epidemy" imposing further limitations on the society. Lock down and all restrictions are being extended till at least April 19th, 2020. After that date, the Polish Government is planning to slowly re-open the economy if the infection forecasts will be favorable.
- ▶ People are still permitted to commute only for essentials or visits to a doctor for urgent cases/ cases that can't be postponed.
- ▶ Non-essential travel is not allowed. On March 15th, 2020 Poland closed its land and air borders and they will remain closed till at least May 3rd, 2020. Foreigners are not allowed to enter Poland unless they have a valid reason like an immediate family member with a polish citizenship. Until May 3rd borders remain closed to foreigners, and Polish citizens returning to Poland up to that date will need to undergo a 14-day quarantine.
- ▶ The Government has developed a mobile app to help in monitoring quarantined people. Those crossing the border between March 27th , 2020and May 3rd, 2020 will need to quarantine for 14 days.
- ▶ Only post and cargo shipments can cross polish borders without detailed inspection and professional drivers (driving trucks) don't need to undergo quarantine.
- ▶ Polish national companies like KGHM, Orlen are pro-actively engaged into closing different gaps like importing necessary medical equipment from China, producing personal protection equipment (disinfectants etc.), helping people stuck at the borders by distributing food etc.
- ▶ Daily cross border commuters must decide in which country they would like to stay until end of the lockdown.
- ▶ Only up to half of the seats in public transport can be occupied by commuters.
- ▶ Only up to 5 people plus the priest are allowed to attend religious events.
- ▶ New updates to an "antycrisis shield" ("specustawa - tarcza antykryzysowa") were published and approved by the Government in order to address changing market needs. Further changes are expected to come.
- ▶ A special act has been put in place in order to avoid the export of critical equipment necessary for managing the pandemic, e.g., medical equipment, pharmaceuticals, disinfectants, all type of antivirus protective face masks and suits. Internal production of the necessary equipment has been initiated; large volume of necessary equipment is arriving from China.
- ▶ The Polish Government is monitoring and controlling retail prices of basic goods necessary for survival in order to limit the number of cases where prices are elevated to very high levels.
- ▶ Restrictions communicated by the Government on March 31st, 2020 will be extended till at least April 26th, 2020: all companies that requested their employees to work out of their office buildings are required to secure and provide disinfectants. The police is supposed to focus more on checking the reason of people who are commuting; the scope of mandatory quarantine is increasing: people living in the same household as a person that was sent for a mandatory quarantine, are being automatically quarantined as well.
- ▶ Further limitations of daily life as of April 9th, 2020 - people are forbidden to gather in public places like national forests, parks
- ▶ The Polish coal mining industry is expected to be reorganized by vertical integration with the companies from the energy sector, in order to avoid the closure of Polish mines

- ▶ Education: schools remain closed till April 26th, 2020 and all schools end exams are postponed until further notice
- ▶ It is still not confirmed if **presidential election** will take place on May 10th and if it will be done through post - the EU is questioning the legitimacy of this solution after countries like Germany and Switzerland were using this solution for local elections in 2020

Concrete client examples of recurrent issues and mitigation

The majority of Business Shared Service centers in Poland have moved to work fully remotely.

According to the ABSL Chairman of the Board in Poland Marcin Nowak, BSS centers work currently at around 70% of their full capacity. The current situation and compulsory home office work is expected to negatively impact office space demand after the pandemic.

Most of the companies have their recruitment processes frozen these days, but they do not cut the employment at this point.

Bonus parts of salaries are expected to be reduced in the sector due to deteriorated financial and operational results of the companies as the result of COVID-19 crisis.

Legal situation for HR-related issues

- ▶ Despite a drop in unemployment in February 2020 and an expected overall drop in employment and salaries, the market is expected to shift from an employees' market to an employer market
- ▶ People working in industries other than logistics, related to food processing and distribution, pharma are expected to stay home. Businesses that have the possibility are shifting towards remote working
- ▶ Some companies are trying to convince employees to take forced vacation during epidemic
- ▶ The anti-crisis shield gives companies the possibility to reduce working hours by 20% in order to become eligible to 40% subsidies to salaries that will be financed out of the state budget, but also gives companies the option of not paying the social security contribution for the upcoming 3 months
- ▶ Childcare allowance for parents taking care of children under 8 years has been extended till April 26th, 2020
- ▶ Government is trying to avoid mass layoffs and commercial companies are impatiently waiting on signing the "specustawa" in order to understand if they will get enough support from the Government in order to keep their solvency. Proposed solutions:
 - ▶ Either deferral or remission of tax payments
 - ▶ Governmental re assurance for extension of credit lines
 - ▶ Losses being result of the pandemic could be written off against 2019 earnings
 - ▶ Government will cover part of the salary cost of employees
- ▶ Employees working in grocery shops and discounts are moving to working in shifts, where people changing shifts are not meeting each other in order to reduce the risk of having all staff infected at a time, some shops remain open 24 hours
- ▶ Recruitment by using digital tools (skype etc.) is becoming more popular during lock down. There is an increased demand for new employees in the food industry, logistics/transportation, pharma, manufacturers of hygiene products.

Portugal

COVID-19 trend per country

- ▶ The infection peak has probably already been passed, according to Portuguese experts
- ▶ The curve continues to grow but at a very slow pace (between 3 to 5%)
- ▶ Self-imposed restrictions and mild Government lockdown are positively affecting the development of the infection rate
- ▶ Some sectors in society are pushing towards a gradual and phased return to a new normal

Regulations and Restrictions due to COVID-19

- ▶ The country lock-down was initially imposed until April 1st, 2020 - but has now been extended until April 30th, 2020
- ▶ Air transportation is very limited (is permitted only to areas where there are large Portuguese communities) and ground transportation is highly controlled, especially to and from areas where the infection is expanding at faster rate (for now there is only one city with a total lock down - no one goes in or out except emergency services).

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is in continued use in several GBS organizations. Many centers were unprepared in technology and/or faced leadership issues from headquarters

Legal situation for HR-related issues

- ▶ Companies are opting to use simplified lay-offs to reduce impacts to bottom-line
- ▶ As lockdown is mild, many businesses are still operating. Some practical examples of measures being put into effect:
 - ▶ Shifts are being reduced in duration and in number of workers
 - ▶ Full-out sanitization is being made to equipment and shop-floors in between shifts
 - ▶ Industrial clients are keeping a % of healthy shop-floor workers at home, ready to be called in case one of the shifts has a member that becomes sick.
 - ▶ Backoffice areas are being transformed into sanitization or feeding areas.
 - ▶ Many of these examples are of businesses that are helping the urgent economy stay afloat: medical devices, food confectionery and delivery, packaging, etc.

Romania

COVID-19 trend per country

- ▶ Since the beginning of the epidemic (February 26th, 2020 first case of COVID-19 infection), the total number of cases rapidly grew to reach 7,216 on April 15th, 2020; 1,217 persons were declared cured and discharged; The number of deceased persons reached 362; 23,353 people are in institutionalized quarantine; other 67,312 people are in isolation at home under medical monitoring.
- ▶ Romania is approaching the peak of the epidemic, expected immediately after Orthodox Easter (April 22nd-25th, 2020).

Regulations and Restrictions due to COVID-19

Immigration and travel

- ▶ Screening all people returning from impacted areas in order to have specific measures for 14 days self-isolation at home or quarantine since end of February
- ▶ Home isolation or quarantine for all persons entering Romania starting March 25th, 2020
- ▶ Starting March 23rd, 2020 foreign citizens cannot enter Romania, except transit organized by agreements with neighboring states
- ▶ Flights, rail and road transport to and from Italy suspended from March 9th, 2020; Flights to and from France and Germany are suspended from March 25th, 2020 to April 8th, 2020; Flights to USA, Austria, Belgium, Switzerland, UK, Ireland, Netherlands, Turkey and Iran suspended since April 4th, 2020
- ▶ Charter flights are allowed for the transport of seasonal workers from Romania to other states, with the approval of the respective countries

Quarantine restrictions

- ▶ Lockdown in place; people can only go out for essential need

Business/school closures/ other

- ▶ All schools are closed since March 10th, 2020
- ▶ All restaurants, bars, cafes, malls, are closed, except for home delivery activity
- ▶ Other closed-space activities are suspended
- ▶ State of emergency in Romania for 30 days since March 16th, 2020
- ▶ All medical interventions canceled, unless urgent
- ▶ Severe contraventions / criminal liability for violating the rules or leaving the quarantine facility

Spend and public policy

- ▶ On March 18th, 2020 the Minister of European Funds, Marcel Boloş, announced a set of concrete measures taken to support the Romanian medical system and business environment, worth 680 million euros by the end of March
- ▶ Package of measures to support the economy, requested by the European Commission

Economic measures, e.g.

- ▶ Local taxes postponed from March 3rd, 2020 to June 30th, 2020; No interest and late penalties for the tax obligations due after March 21st, 2020, unpaid until May 16th, 2020
- ▶ Advance payments of quarterly income tax can be done at the level resulting from the calculation of the current quarterly corporate income tax
- ▶ Postponement of payment of utilities and rentals for the small and medium-sized enterprises (SMEs); Granting guarantees for SME loans
- ▶ Clients can request certain payment facilities (free of charge / period of grace / price reduction for e.g. services of leasing, rental, storage, utilities, etc.

Concrete client examples of recurrent issues and mitigation

The shared services / GBS model is demonstrating its strength in Romania, as it is not being disrupted heavily. Following perspectives have been key for success:

- ▶ Strong BCP in place, quickly actionable
- ▶ Multi sites GBS where some centers transferred work to other locations
- ▶ Standard Operating procedures supporting autonomy of staff
- ▶ Clear SLA statements
- ▶ As the young population is used to work from home and work from home had been quite a common practice, scaling up was fast

These factors lead to the following:

- ▶ GBS took few days only to adapt the new paradigm from a workforce perspective (home office)
- ▶ GBS experimented no loss of access to critical tools for operations: no big incident reported
- ▶ Junior population can work thanks to knowledge management policies and detailed SOP

On April 10th, 2020, Renault announced that it will resume production at the Dacia factory in two stages: April 21st, 2020 and May 4th, 2020 with small teams under conditions of safety and social distance.

Legal situation for HR-related issues

- ▶ Free days / paid holidays are granted to parents for the supervision of their children, when schools are temporary closed without holidays or legal holidays
- ▶ The payment of bank installments can be delayed for nine months, for both companies and individuals affected by the COVID-19 crisis
- ▶ The state will support the payment of allowance for technical unemployment as a result of the effects of the SARS-CoV-2 coronavirus epidemic, during the decreed state of emergency; the technical unemployment benefits can be settled from the unemployment social security G22 up to 75% of the average gross salary (RON 5,429)
- ▶ A draft emergency ordinance will grant the right to technical unemployment compensation and other categories of professionals (e.g. lawyers)
- ▶ On April 13th, 2020 the Government has announced that it is working on a project about the entry, by rotation, of certain categories of budget employees in a form of technical unemployment (partial payment)

Singapore

COVID-19 trend per country

- ▶ Since the beginning of April, SG has been consistently reporting 100-300 new cases per day, bringing the total number of cases to over 3,200 (as of April 14th, 2020).
- ▶ A significant portion of the recent surge was contributed by dormitories that house migrant workers, with clusters emerging in 15 dormitories across SG. In response to this, the Government has set up an inter-agency task force to provide support to foreign workers and dormitory operators.
- ▶ The Government has not changed its strategy or approach in the battle against COVID-19. It is constantly looking at the environment internationally and locally, and then constantly adjusting and updating measures, while anticipating (proactively)

things that could happen in the future. At the same time, the Government continues to pursue containment by conducting rigorous contact tracing and quarantining suspected cases.

- ▶ The Government also developed the TraceTogether app which can identify people who have been in close proximity to coronavirus patients using wireless Bluetooth technology

Regulations and Restrictions due to COVID-19

- ▶ On April 3rd, 2020 the Government announced a 'Circuit Breaker' which imposed significantly stricter measures effective from April 7th, 2020 to May 4th, 2020. This includes closing workplaces (except those defined as 'essential services') and barring social gatherings of any size in homes or public spaces. All schools and institutes of higher learning have moved to full home-based learning. Dining out is also no longer an option
- ▶ Essential services include:
 - ▶ **Food sector** - hawker centers, coffee shops, food courts and restaurants will stay open - but only for takeaway and deliveries; no sit-in dining. Supermarkets, convenient stores, grocery retailers', wet markets will stay open
 - ▶ **Transport & storage sector** - public transport including taxis and private-hire cars, air transport and airport operations, shipping and port services
 - ▶ **Health sector** - acute and community hospitals, polyclinics and TCM clinics, social services for elderly, special needs and other vulnerable groups, urgent dental services
 - ▶ **Banking & finance sector** - cash withdrawals and deposits, payments and fund transfers, insurance services like claims servicing, financial advisory
 - ▶ **Information & communication sector** - fixed and mobile internet services, postal services, platforms and services such as ride-hailing, food delivery, groceries and online payments
 - ▶ **Others** - selected hotels, serviced apartments, dormitories and hostels, vehicle recovery and repair services, optician services, hairdressing and barber services, veterinary services
- ▶ There were over 10,000 warnings issued in the first few days of 'Circuit Breaker' for first time offenders, after which the Government decided that all first-time offenders will be fined \$300
- ▶ More recently, mask wearing is now mandatory for everyone while out, except for kids under 2 and those doing strenuous exercise. Offenders will be fined accordingly.

Concrete client examples of recurrent issues and mitigation

The "Circuit Breaker" include the suspension of activities at workplaces, other than certain prescribed "essential services". Therefore, EY clients whose business activities are not Essential Services are not allowed to operate from their workplace premises. Where possible, Work from Home is being applied by clients, leveraging on tools for video conferencing such as MS Teams, Zoom or WebEx

Example Client #1: Global Power and Utility Company

- ▶ This GBS organization had 2 confirmed cases of COVID-19. The company has closed for cleaning and disinfection and evacuated all employees from its office premises. It has also instructed mandatory work from home policy for all staff until May 4th, 2020. If essential travel to the office building is required, staff can only do so after April 13th, 2020 with approval from HOD.
- ▶ This GBS organization is digitally enabled with several recent upgrades in systems and workplace tools. All staff are instructed to replace all physical meetings with virtual meetings. This is a good opportunity for them to adapt to a more agile virtual working environment.

Legal situation for HR-related issues

Manpower Minister Josephine Teo urged employers to do their part to support their workers, both local and foreign, even as they make many adjustments to meet the country's decision to close most workplaces for four weeks.

With that, the Government announced \$5.1b Solidarity Budget to help workers and firms:

- ▶ **Job support scheme**
 - ▶ The Government will pay 75% of the first \$4,600 of monthly wages paid in April, for every local worker
- ▶ **Self-employed to get more help**
 - ▶ Those who earn a small income from employment work, and those who live in condos, private properties, are now eligible for income relief
 - ▶ Those eligible will get 3 quarterly cash payouts of \$3,000 each in May, July and October

Additionally, the Government also introduced the SGUnited Traineeships scheme to help fresh graduates. For companies which take them on as trainees, the Government will fund 80 per cent of the stipend for trainees, with the company paying 20 per cent.

The scheme aims to support up to 8,000 traineeships this year. So far, more than 100 companies, such as ST Logistics, Surbana Jurong, Micron, Q&M Dental and Commonwealth Capital have committed to 1,500 positions.

Slovakia

COVID-19 trend per country

The infection peak for Slovakia is expected by day 110 since the massive measures were taken (March 15th, 2020). At that point, 3.2 % of the population are expected to be infected.

An alternative study projects April 25th, 2020 to be the peak day in terms of people infected.

Early imposed restrictions seem to be positively affecting the infection rate progress, **while an update on the impact of stricter restrictions adopted during the Easter holidays is yet to be published.**

Regulations and Restrictions due to COVID-19

Business and legal issues:

- ▶ All ministries will identify the measures needed to secure postponement of all legal deadlines.
- ▶ **On Monday, April 20th, 2020 the Government will introduce a precise plan on which shops and under what conditions will be allowed to open.**

Generally applied measures:

- ▶ **As of April 6th, 2020, all persons entering Slovakia from abroad will immediately be placed in a Governmental quarantine facility.**
- ▶ Wearing a protective face mask is obligatory outside one's home. When queueing, people are required to stand at least 2 meters away from each other, both indoor and outdoor.
- ▶ As of March 30th, 2020, measuring temperature will be obligatory at the entrance to shops, hospitals, factories, etc.
- ▶ The ban on organizing mass events that expired on March 24th, 2020, has been prolonged until further notice.

Using data from mobile phones:

- ▶ The Government will pass a law on a short-tracked procedure to allow state authorities to use localization data from mobile phone operators.

Measures in health care:

- ▶ The Health Ministry will re-profile the entire hospital network with the aim to secure effective and safe COVID-19 treatment.
- ▶ There will be a drive-through testing point in front of every hospital that does the testing.
- ▶ The Health Ministry is to identify the drugs and protective materials that Slovakia needs and ban their export from the country.

Measures for pupils and students:

- ▶ Schools to remain closed until further notice. Written part of the maturity secondary school leaving exams will not be held this year.
- ▶ Note: Since 30.3.2020 some restrictions were reduced - the state allowed further operations to be opened. These include, for example, opticians, technical and emission control stations, gardening and building materials. However, they are subject to strict hygiene regulations. **On the other hand, during the Easter holidays (April 9th - April 13th 2020), cross-district travelling was restricted (with exceptions).**

Concrete client examples of recurrent issues and mitigation

Remote work from home policy is in use in various GBS organizations:

- ▶ Some companies have home office policy implemented; employees can work remotely without significant impact on the business processes.
- ▶ Daily remote communication with other offices around the world continues as usual
- ▶ Most of the automotive production has stopped in the country.
- ▶ Company revenues are falling, Retail might fall about 30%

Legal situation for HR related issues

The Government has approved seven measures to help companies and employees cope with these difficult times.

The primary goal is to maintain employment. These measures may need up to 1.5 billion euros, e.g. more than 1 % of GDP a month.

- ▶ The most important change to HR related issues is a certain form of "kurzarbeit": The state will compensate 80 % of the employees' salaries in companies that were forced to shut down. The aid may be up to 200,000 euros per company. The state will compensate 80 percent of the gross income of up to 1,100 euros. An employee must not be in the notice period. This applies both for definite and indefinite work contracts.
- ▶ The state will provide contributions to the self-employed and employees in the companies that saw a decline in revenues. The amount will depend on the decline. The sum may be up to 800,000 euros a year (200,000 euros a month).
- ▶ The state will also provide bank guarantees for loans with a volume of 500 million euros a month that commercial banks will shift to entrepreneurs under advantageous conditions.
The state will pay 55 percent of the gross salary of employees who are in quarantine and are paid sick leave or parental childcare allowance.
- ▶ Another measure is postponing the payment of insurance premiums on behalf of the employer if revenues fall by over 40 %.
- ▶ If the revenues drop by more than 40 %, advance tax payments will also be deferred.
- ▶ Companies and entrepreneurs may count in previously unused tax loss since 2014 including.
- ▶ Preventive measures at the workplace should be taken by the employer to minimize the spread of COVID-19. Recommended measures include the provision of relevant information on COVID-19, and the placement of additional protective equipment at the workplace such as disinfection liquids, masks or respirators.
- ▶ Pursuant to the amendment of the Labor Code, the employer has the possibility to order work from home, if the nature of the work permits it.
- ▶ If an employee is put into a 14-day quarantine by a doctor or Slovak Public Health Office and is incapable to work, the employer must grant him time off as if the employee is recognized as temporarily incapable to work. The employee is obliged to submit to the employer a quarantine certificate.

Spain

COVID-19 trend per country

- ▶ The health authorities in Spain assume that the peak of infections has already been passed and therefore, Spain is supposed to be on a stable "plateau" in terms of the infection curve. However, experts are still cautious as to how the curve might further develop when the lock-down is eased up.
- ▶ The central Government is having difficulties in taking efficient measures of social distancing and provision of sanitary material, however regional Governments and private companies have taken the initiative and it seems that big purchases and donation of sanitary material have been arriving to hospitals.
- ▶ There is a critical issue in the number of infected personnel within the hospitals, as protection material has been scarce during the beginning of the crisis.
- ▶ The main points of COVID-19 infections are Madrid, Catalonia, the Basque Country and Castilla-La Mancha. However, Castilla y León, Navarra, La Rioja, the Region of Murcia and Andalusia are also of concern.

Regulations and Restrictions due to COVID-19

- ▶ On March 15th, 2020 the Government issued a restriction on movement of its citizens across the entire geography for 15 days; only the primary sector could leave their houses, with strict police controls and a framework for issuing fines, etc.
- ▶ Borders have been closed since March 16th, 2020 allowing only Spanish citizens or residents, as well as logistics. Airlines, trains and ferries are operating under minimum services.
- ▶ City logistics are operational, with some reduction on their frequency, and with limited capacity (e.g., buses can only take up to 20 passengers).
- ▶ On March 30th, 2020 the restriction was extended and reinforced. The professional activity was limited to the absolute minimum, putting the economy "in hibernation" until after the Easter, stopping industries such as construction, or metal, but not impacting Work from Home operations.

- ▶ Since, April 13th, 2020 and initially until April 26th, 2020, non-essential workers return to their workplaces in a staggered approach and with a series of measures to prevent the spread of COVID-19, allowing metal industries, new constructions and other minimal services to operate.
- ▶ The Government has indicated a possible extension of the restrictions until May 10th, 2020. It is being analyzed the option of allowing children to go on the streets for an hour per day.

Concrete client examples of recurrent issues and mitigation

Companies manage the challenges arising from COVID-19:

- ▶ Team engagement and keeping the spirits high, as casualties are occurring in the close network of employees
- ▶ Not all companies had practiced their BCP, and therefore initially encountered issues in structuring the work
- ▶ Not all companies were able to flex their workforce according to decreasing volumes of activity in some sectors/areas.
- ▶ Not everyone has a corporate laptop, and desktops had to be retrieved from the offices
- ▶ Administrative work is accumulating in back-office functions, as those teams have to support the identification of new sources of liquidity and financing and HR related paperwork.

Legal situation for HR-related issues

- ▶ Employees in quarantine due to COVID 19, including quarantine during the carrier phase, have been considered as Temporarily Unable, a similar consideration as a Work Accident. A 75% of their salary will be paid by the Social Security.
- ▶ A special unpaid leave regime related to the reduction/adaptation of working hours has been put in place for those taking care of family members.
- ▶ The Government has facilitated access to Temporary Employment Records, due to force majeure, while presenting and meeting requirements; for companies of under 50 Employees bonification of 100% of Social Security, and for those over 50, 75%.
- ▶ Unemployment benefits will be provided for all those employees impacted.
- ▶ For the Tourism Sector, for companies not opting for a Temporary Employment Record, they can opt for a bonification of 50% of the Social Security quotas for common contingency.

United Kingdom

COVID-19 trend per country

As of April 15th, 2020, 94,845 cases and 12,129 fatalities. UK is likely to be approaching its peak, a decline in the number of UK cases is expected in the coming weeks, however restrictions are expected to only be lifted gradually over a period of six months. Restrictions are being reviewed w/c April 13th, 2020 but are not expected to change. They will be reviewed by Parliament again in three weeks' time

Regulations and Restrictions due to COVID-19

- ▶ Nationwide lockdown in place, restricting all people from leaving their homes except to go to work if absolutely necessary and working from home isn't an option
- ▶ Those most at risk (about 1.5 million people) should not leave the house, for any reason, for 12 weeks
- ▶ All businesses and workplaces should be enabling employees to be working from home where possible
- ▶ All schools and childcare closed until further notice other than for key workers (so big impact to working parents who are now having to home school)
- ▶ Almost all offices are now closed, with the vast majority of office workers working remotely, as are non-essential shops and public venues
- ▶ All non-essential travel is banned, and only key workers are advised to use public transport (public transport services have been reduced by ~50% and are operating solely for the purposes of allowing key workers (e.g., healthcare staff) to get to work)

Concrete client examples of recurrent issues and mitigation

Global Consumer Products Organization:

- ▶ 95% remote working enacted
- ▶ Key challenge is impact of school closure on staff working hours leading to need for flexible working
- ▶ Network challenges linked to VPN have led to further investment in infrastructure
- ▶ Key focus on team engagement with twice daily team calls, one at the start of the day and one at the end of the day, to maintain engagement and to support performance monitoring

UK-based Construction and Infrastructure Organization:

- ▶ Remote working enacted, unable to go to 100% as not all processes fully digitized (supplier invoices) -they have had to collect the post and install scanner's remotely
- ▶ Shortage of laptops, computer equipment shipped to employee's home addresses
- ▶ Reduced capacity and productivity, they have adjusted KPI and SLA targets to create capacity to support surge in other delivery areas

Legal situation for HR related issues

Sickness and Absence Management:

- ▶ Employees can get £94.25 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks. If the employee is staying at home because of COVID-19 they can now claim SSP. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.
- ▶ The UK Government has legislated for SSP to be paid from day 1, rather than day 4, of the employee's absence from work if they are absent from work due to sickness or need to stay at home due to COVID-19.
- ▶ If employees have COVID-19 or are advised to stay at home, they can get an 'isolation note' by visiting NHS 111 online, rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.
- ▶ Employees are entitled to time off work to help someone who depends on them (a 'dependent') in an unexpected event or emergency. This would apply to situations related to coronavirus (COVID-19).

Furloughed Workers:

- ▶ If the employee and employer both agree, the employer might be able to keep the employee on their payroll if they're unable to operate or have no work for to do because of coronavirus (COVID-19). This is known as being 'on furlough'. The employee could get paid 80% of their wages, up to a monthly cap of £2,500.
- ▶ The Government is aiming for the scheme to be up and running before the end of April, with the first grants to be paid within weeks. It will be in place for at least three months but will be extended as needed.

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