



2020 Virtual Roundtable Session

In the Chemical and Performance Materials Industry

June 5, 2020

Lifting the Lockdown

The following is a summary of insights shared by a number of leading global chemical companies at a roundtable meeting of general counsel convened by Squire Patton Boggs.

1. How the Pandemic has Changed the Way we do Business

- From speaking with CEOs of a range of manufacturing companies, there are a number of key issues they are now having to address including:
 - *Supply chain resilience* – proximity, diversity and technology are the watch words here;
 - *Foreign Direct Investment scrutiny* – Europe needs better control of foreign, strategically important assets;
 - *China* – strategic rivalry between China and US heightens to an uncomfortable tension. This is now compounded by the collapse of the G7;
 - *Data* – the pandemic has accelerated the trend towards businesses using data analytics for the public good;
 - *Real estate* – remote working resulted in equal or increased productivity and companies are now having to balance out real estate required to build effective teams;
 - *Climate change* – political emphasis on climate change in Europe post-COVID.

2. The Path Forward - Introduction

- Generally, wide-scale lockdowns have begun to lift and more will begin lifting in the coming weeks and months.
- While the economy is reopening in some places, the virus is not going away.
 - In the United States alone, an estimated 50,000 people will die from the virus between now and the end of August.
 - More than 100,000 have already died.
 - More than 1.5 million infected.
 - Infections will continue as lockdown eases, but different areas likely to be hit to different degrees and at different times.
 - Possible that lockdowns could return if infections resurge.
- The reality is that our organizations will return to work well before there will be clarity on the virus.



3. Planning for a Return from Lockdown – Deciding how to Decide

- Backdrop of the most polarized US election in recent memory with COVID on top of this creating division in society and economic disparity.
- High unemployment (23%) in US and GDP down 5%.
- Many companies are dealing with return to work issues on a state by state basis being sure not to bring colleagues back to work before time.
- Working from home is likely to become the norm for many as productivity remains high.
- Risk needs to be minimal before majority of workforce is brought back to work.
- Practical questions about why companies should bring people back to work at all when productivity remains high.
- Overall direction of company's response to returning from the lockdown is set by the global crisis management team but handed to regional and site teams for local implementation.
- Lessons still to be learned from other parts of the world such as China, Saudi Arabia and UK.

4. Bringing Employees Back

- Many companies have continued to operate through the lockdown.
- Internal communications from leadership have increased exponentially.
- Implementation of guidelines and measures to bring employees back (such as staggered shifts) have been pushed to site level.
- Implemented planning used for other disasters such as floods.
- Some benefits of having employees back at work include greater working efficiencies of having teams together face to face.

5. Planning for the Next Lockdown

- Companies need to make better provision for PPE equipment for operations staff.
- With greater confidence in virtual meeting technology, companies are reducing need for travel to meetings.
- Downside to remote working is loss of engagement with employees so a careful balance needs to be struck.