



COVID-19: NAVIGATING A NEW REALITY

By the end of March, an estimated one out of every three people in the world lived under some form of “shelter-in-place” or lockdown mandate due to the novel coronavirus pandemic (COVID-19)¹. The situation is evolving so rapidly that we cannot foresee with any confidence the scope or impact of the pandemic at the time of publication. Our lives have already changed dramatically, and while much remains uncertain, one thing is clear: we are in this together.

Weathering this viral storm requires an all-hands-on-deck approach and the role of the private sector is critical. Healthcare companies and manufacturers are needed to ramp up diagnosis, treatment, and preventative products and services, as well as associated medical equipment and infrastructure such as personal protective equipment, ventilators, and hospital beds. Telecommunications, technology, and media firms provide essential information and can help limit anxiety and feelings of isolation that come with shelter-in-place. Consumer staples companies ensure crucial access to food, household goods, and the ever-elusive hand sanitizer. Bottom line? All employers have a stake in the well-being of their employees, families, and society-at-large.

In the face of COVID-19, what are we asking of companies?

- Above all, maintain paid employment to the greatest extent possible
- Foster the well being and safety of employees, including protection from exposure in their workplace or other work environments
- Transition, as feasible, to work-at-home solutions
- Examine and enhance benefits such as paid sick time and health insurance
- Implement effective communications systems to efficiently convey helpful and accurate information
- Consider opportunities to partner with or otherwise support health care institutions, governments, and vulnerable populations, including through industry collaborations

The examples below demonstrate a breadth of actions underway by companies held in client portfolios. While neither exhaustive nor without controversy in some cases, these initial steps by companies learning to navigate this new environment are important and provide a needed foundation upon which to build.



COMPANIES TAKING ACTION

Healthcare companies are addressing the spectrum of COVID-19 needs. Since it began taking COVID-19 samples just weeks ago, **Quest Diagnostics**² currently can process 25,000 diagnostic tests daily and is working to further expand capacity. **Medtronic**³ has substantially ramped up production of ventilators, changing shift patterns at its facility in Ireland so it can run around-the-clock safely; the company also publicly shared design specifications for its basic ventilator model so others can begin manufacturing these critically needed items. **UnitedHealth Group**⁴ waived co-payments for COVID-19 tests and related visits, and increased access to telehealth services to reduce risk of exposure. As early as January, **Johnson & Johnson**⁵ began to develop a vaccine and expanded its partnership with the U.S. Department of Health & Human Services to screen anti-viral compounds for potential use.

Measures taken to protect employees and customers are heartening. **Microsoft**⁶ is continuing regular pay for its hourly vendor service providers, ensuring that some 4,500 employees in Puget Sound alone will maintain income during reduced hours. In an agreement with the Teamsters union, **United Parcel Service**⁷ is providing paid leave for workers diagnosed with COVID-19 or quarantined due to illness of a family member. For employees who work 20 or more hours weekly, **Starbucks**⁸ provides a trio of catastrophe pay, service pay and hardship grants. Catastrophe pay currently provides income for anyone staying home between March 21 and April 19; service pay provides an additional \$3/hour income for employees who opt to work under reduced operations; and hardship grants are available for employees experiencing financial distress. Two times each week, **Costco**⁹ provides early morning shopping opportunities exclusively for people with disabilities or customers over sixty, including access to its pharmacy.

Other portfolio companies are contributing in myriad ways. In recent months, **3M**¹⁰ implemented “surge capacity,”

doubling production of critically needed N95 masks to 100 million per month with plans to manufacture 2 billion within a year. **Apple**¹⁰ has sourced, purchased, and donated over 10 million masks from its global supply chain for use in the U.S. and is working to procure more. **Sysco**¹¹ is partnering with government entities, nonprofits, suppliers and others to donate 2.5 million meals to people in need. Low-income families can sign up for 60 days of free **Comcast**¹² Internet Essentials service with enhanced Internet speed. Volunteers across technology companies, including **Alphabet**¹³ and **Apple**¹³, worked with epidemiologists to develop a website—**covidnearyou**¹⁴—to help track and monitor the spread of the virus and share experiences, ultimately hoping to fill an information void that comes with insufficient testing.

CONTINUED ENGAGEMENT

At Boston Trust Walden, business continuity planning has proven effective and we have been fortunate to be able to transition to a work-from-home enterprise. But we know not everyone is so fortunate, and we especially worry about those most vulnerable.

Many companies, including those held in client portfolios, are struggling to balance uncertainties affecting their employees, customers, direct operations, supply chains, and future business livelihoods. Hence, our work to promote sustainable business practices is not in a “business as usual” mode. Our company engagement is, and will continue to be, sensitive to and reflective of the impact of the pandemic.

We believe our focus areas of engagement—climate, equality, and governance—are as critical as ever and clearly relevant with respect to the consequences of the COVID-19 pandemic.

Yet we are mindful of the demands facing companies in this new reality and are pursuing our engagement activities with caution and sensitivity. In some instances, company dialogues are paused; in others we are creating new paths forward. For example, we are working on how to introduce a shareholder resolution at an annual meeting that is transitioning from an in-person to virtual format. We are also making known our expectations of companies in light of COVID-19 and examining opportunities to further engage on issues such as paid leave. Overall, we remain confident that our longstanding relationships with company executives and managers will enable us to resume full steam when the time is right.

Resources

News and Information on COVID-19 from the CDC: <https://www.cdc.gov/coronavirus/2019-nCoV/index.html>
Boston Trust Walden Company Pandemic Plan Summary: <https://bit.ly/2xzQGOr>

Endnotes

- ¹ <https://www.businessinsider.com/countries-on-lockdown-coronavirus-italy-2020-3>
- ² <https://abcnews.go.com/Health/quest-diagnostics-capacity-run-25000-coronavirus-tests-day/story?id=69782515>
- ³ <https://www.medicaldevice-network.com/news/medtronic-ventilator-production-covid-19/>
- ⁴ <https://www.uhc.com/health-and-wellness/health-topics/covid-19>
- ⁵ <https://www.inj.com/latest-news/what-you-need-to-know-about-coronavirus-and-a-potential-johnson-johnson-vaccine>
- ⁶ <https://blogs.microsoft.com/on-the-issues/2020/03/05/covid-19-microsoft-hourly-workers/>
- ⁷ <https://teamster.org/news/2020/03/teamsters-ups-agree-covid-19-mou>
- ⁸ <https://stories.starbucks.com/press/2020/what-customers-need-to-know-about-starbucks-response-to-covid-19/>
- ⁹ <https://www.costco.com/covid-updates.html>
- ¹⁰ https://www.3m.com/3M/en_US/company-us/coronavirus/
- ¹¹ <https://www.forbes.com/sites/rachelsandler/2020/03/25/tim-cook-says-apple-is-sourcing-10-million-masks-from-its-supply-chain/#3ce8cc3e1c15>
- ¹² <https://investors.sysco.com/annual-reports-and-sec-filings/news-releases/2020/03-19-2020-003009977>
- ¹³ <https://corporate.comcast.com/covid-19>
- ¹⁴ <https://www.cNBC.com/2020/03/23/coronavirus-tracking-site-built-by-amazon-apple-google-volunteers.html>
- ¹⁴ <https://covidnearyou.org/#/>

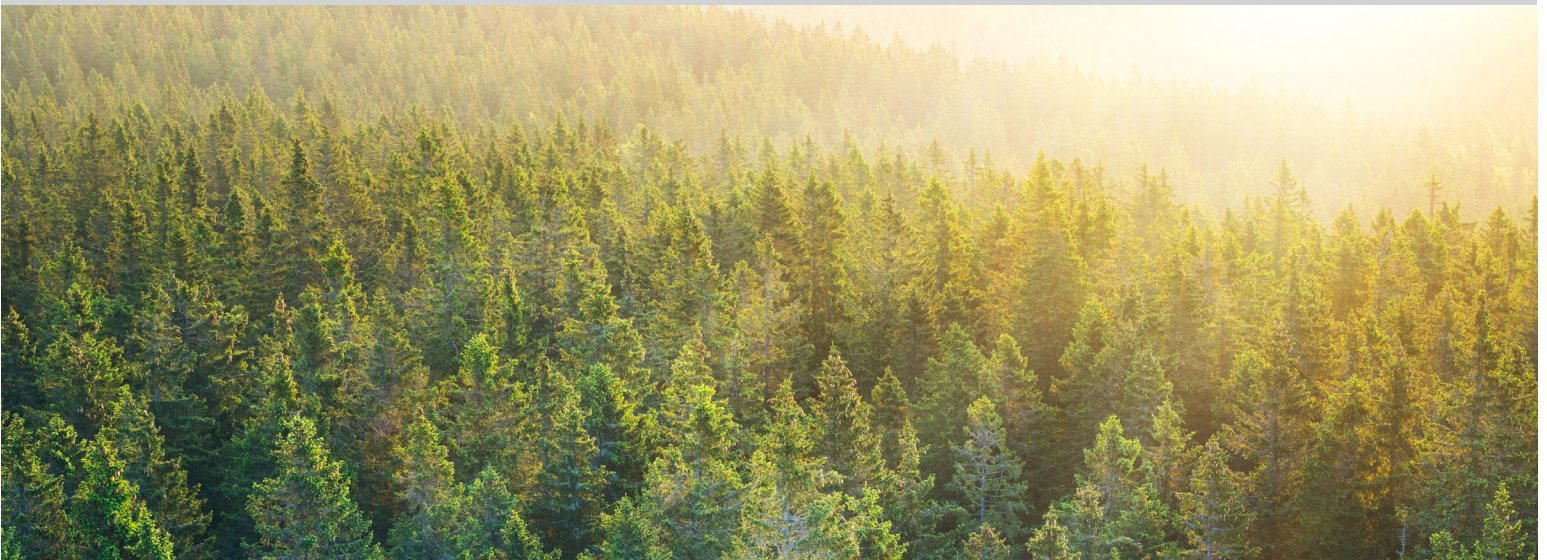
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