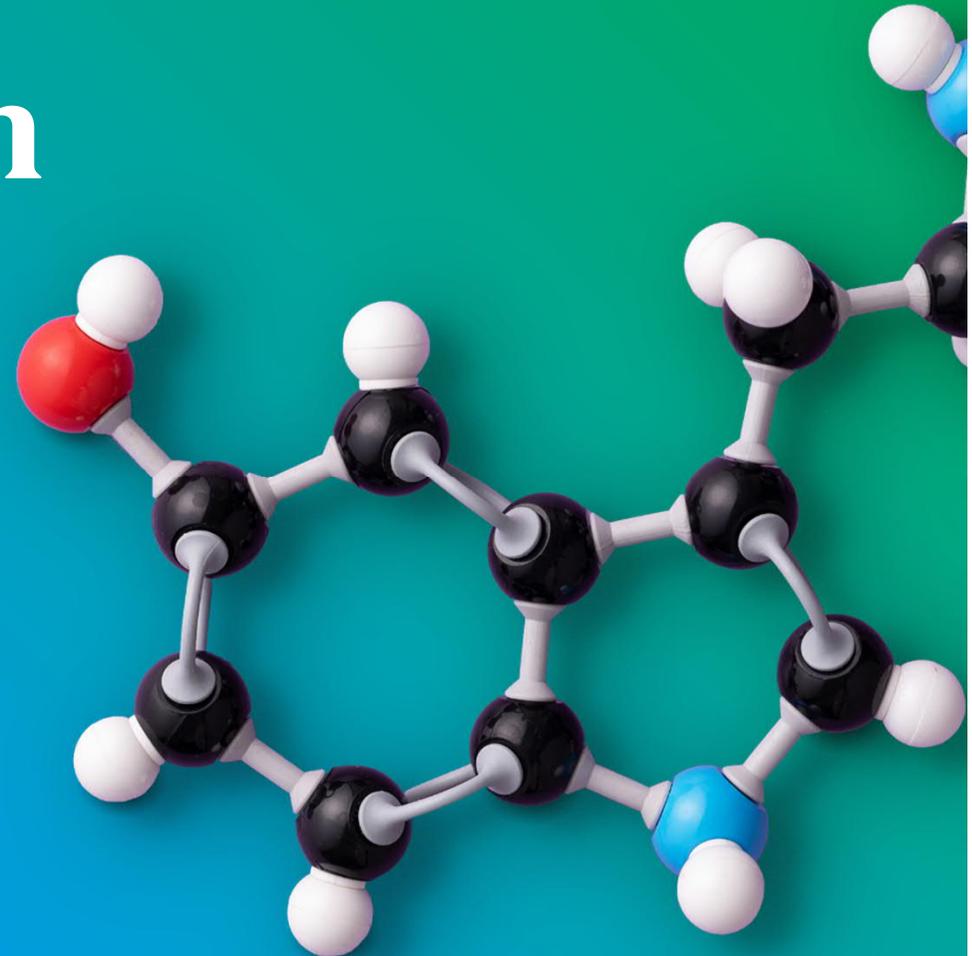




COVID-19: Dealing with the impact

Webinar
March 12, 2020

welcome to brighter



Speakers



**Sylvia
Pozezanac**
CEO, Mercer UK



**Rupert
Watson**
Partner and
Portfolio
Manager, Mercer



**James
Brundrett**
Partner,
Investments,
Mercer



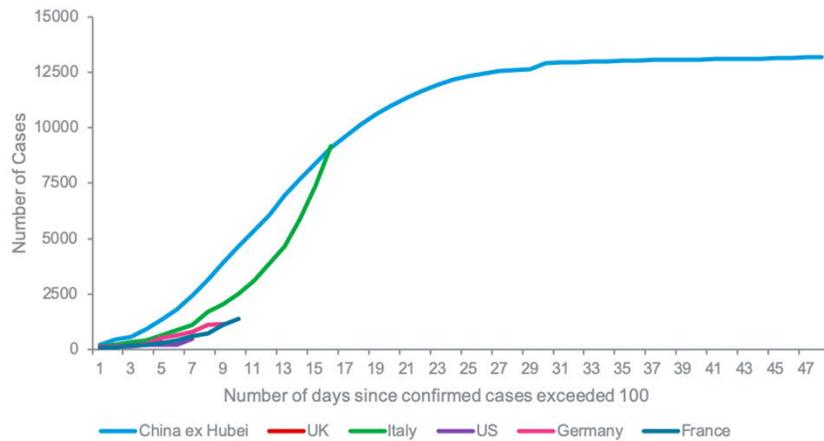
**Chris
Bailey**
Partner, Mercer
Marsh Benefits



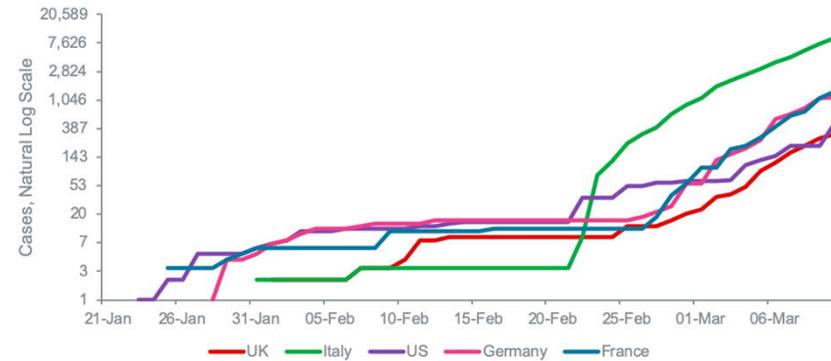
**Kate
Fitzpatrick**
Senior Principal,
Career, Mercer

China contained. Others not

Confirmed Cases by Number of Days Since 100th Case



COVID-19 Confirmed Cases in Selected Countries



Source: WHO

**Countries may be able to contain COVID 2.
Question is: are they willing and able to suffer the economic hit to do so?**

The economic impact of the Coronavirus



Direct Impact

as activity curtailed



Indirect Impact

via weaker business & consumer confidence & supply chain disruption



Policy Response

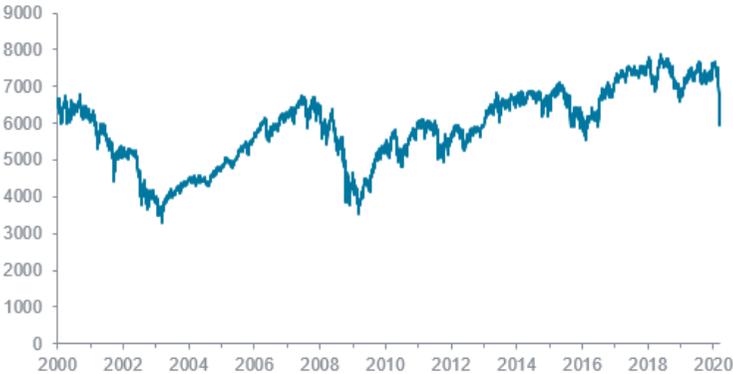
by governments & central banks

Update @ 12 March 2020

- China returning to normal
- Italy in lockdown
- Fears spreading elsewhere
- Big confidence hit likely
- Supply chain contained for now
- Fed & others cut rates
- Widespread tax cuts and increased spending

Market reaction

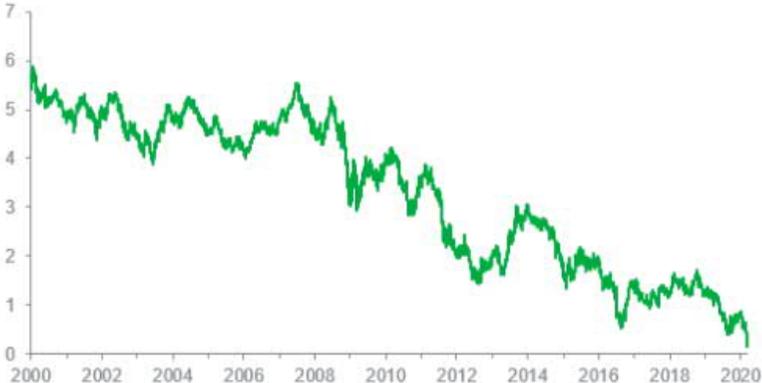
FTSE100



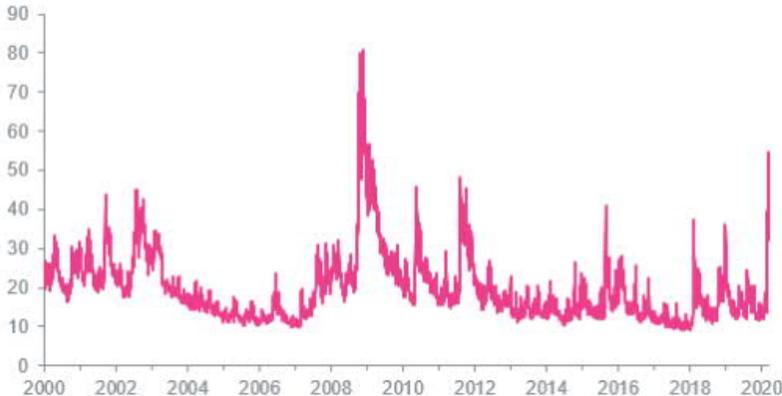
Oil



UK 10 Year Gilts



VIX Index



Source: Mercer



Investments - What can pension schemes do?



Employee experience is where people meet operations

Communication, reassurance, clarity

Support from employee benefits

Focus on the employee experience

The role of occupational health

People
Operations

Travel policies

Remote working logistics

Self isolation/social distancing

Reward policies

Preparedness planning

Employee experience is where people meet operations

Communication, reassurance, clarity
Support from employee benefits
Focus on the employee experience
The role of occupational health

People
Operations

Travel policies
Remote working logistics
Self isolation/social distancing
Reward policies
Preparedness planning

Ensure that you have coverage for those that need it

Review your policy wording to understand if it covers what you think it should

Contingency and Continuity

Interim Workforce Planning



How

- Traditional model vs. a diverse talent ecosystem
- Agility / adaptability levels
- Business continuity risk profile



When

- Flexibility
- Eligibility
- Ill vs. quarantine



Where

- Remote / virtual working
- Alternate / intermittent workspaces
- Duty of care
- Infrastructure
- Business travel
- Expatriate workers



What

- Business critical tasks
- Activity / event postponements



Who

- Likely workforce demographic impact (e.g. age, employment status, nature of work, location, family status etc.)

Compensation and Benefits

Considerations by workforce segment



Executives

- LTI and performance metrics
- Setting and assessing FY20 targets
- Granting share based awards given current market volatility



Local Employees

- Review and clarify policies and statutory entitlements **by geography**
- Approach for those quarantined but not infected / ill?
- Business travel – impact



Contingent & Contracted Workers

- Review and clarify policies and statutory entitlements **by geography**
- Approach for those quarantined but not infected / ill?
- Business travel – impact



Expatriates

- Currency volatility
- Evacuation / temporary repatriation measures
- Host country support
- Deferrals of new assignments



Dependent Family Members

- Review and clarify benefits provided to dependents

Same questions, likely very different answers and consequences ...

Communicate!

Protect. Evaluate. Prevent.

Where should we start?

Your workforce comes first. When outbreaks such as COVID-19 occur – think fast – but don't always react fast.



#Gather information from World Health Organisation, government entities. Speak to local offices, security, human resources. Seek situation reports from the ground. Fact check the news.



#Treat your workforce equally While expatriates could be evacuated to their home-country; local employees need to remain. Consider the impact.



#Communicate frequently



#Listen What are your employees asking for? Why are they concerned?



#Review your Business Continuity Plan (BCP). Is it up-to-date?



#Provide protection or prevention supplies.



#Follow government guidelines

Q&A

For further information and materials, please visit:
<https://www.mercer.com/our-thinking/managing-novel-coronavirus.html>

Important Notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2020 Mercer LLC. All rights reserved.

This document contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualised investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This document is provided for information purposes only and does not contain regulated investment advice or legal advice in respect of actions you should take. No decisions should be made based on this document without obtaining prior specific, professional advice relating to your own circumstances.

This document does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.

Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

In the UK Mercer Limited is authorised and regulated by the Financial Conduct Authority.



welcome to brighter