

## **Novel Coronavirus (COVID-19) - Hawkins Watts Australia Update: Valid as of March 16, 2020 – updated August 5, 2020.**

- **Stage 4 Update**
- **Contingency plans**
- **Supply**

### **STAGE 4 UPDATE**

#### **COVID-19 - Hawkins Watts Australia Update: Valid as of August 5<sup>th</sup>, 2020 until further notice**

*Hawkins Watts are classified as an essential service and so will remain operational during Stage 4 restrictions in Melbourne. Limited staff will be attending the office on a rotational basis to manage core functions.*

*Regarding the impact on supply as a result of Stage 4 restrictions – we are reliant on our service providers who all play a part in our ability to supply customer orders on time.*

*Be assured we are working with our 3PL providers to ensure orders continue to be picked, despatched, and transported to meet your requested delivery requirements. To assist us, we would appreciate you providing as much notice as possible when placing orders, as this will allow our 3<sup>rd</sup> party providers more time to schedule workloads.*

*We are mindful that our warehouse and distribution 3<sup>rd</sup> party providers in Victoria are facing restrictions on the number of staff they can have onsite to physically process orders; this is limited to a maximum of 2/3 their normal workforce. We do hope this will not impact our customer orders, however if/when we do become aware of any delays, we will ensure we pass on updated information to you immediately.*

*Please feel free to check in with us at any time for updates on orders, we will do our best to keep you informed.*

### **Hawkins Watts COVID-19 Response**

Hawkins Watts recognises the need to act responsibly given the Novel Coronavirus (COVID-19) pandemic affecting the world. Accordingly, we implemented the measures detailed in this letter as of 16 March 2020.

### **Contingency**

Hawkins Watts has contingency measures in place to keep the business operating in a shutdown scenario, and as such we are well placed to continue operating during this period of Stage 4 restrictions in Victoria. These measures are centred around our cloud-based IT infrastructure. Key people in the business have been identified and have IT and phone access from home. We have both local internet and mobile phone internet access.

## Impact on Supply of Goods

As has been widely publicised, the impact of Novel Coronavirus (COVID-19) is impacting global supply chains. Information on the exact impact that this may have on global trade changes constantly.

Hawkins Watts has been in regular contact with impacted suppliers, as well as with its freight forwarders, to ensure that we are apprised of the most up-to-date supply chain information. We have been and will continue to pass this information on to customers that may be impacted.

### Inventory held locally

Hawkins Watts currently holds inventory of many products in its warehouses and we will always give priority of supply to our existing, loyal customer base for those products. However, in the current COVID-19 environment it is becoming increasingly difficult to predict how inventory levels will be impacted.

### Purchase Orders

For products that require absolute certainty of supply, please send through purchase orders so that we can allocate stock or send through purchase orders to our own suppliers. On receipt of a purchase order, we will respond as soon as possible to you with estimated delivery times. Please note that we rely on the speed of confirmation from our suppliers, who are also operating in this uncertain environment.

### Supply and Pricing

Hawkins Watts will do what it reasonably can to ensure supply and maintain existing prices. However, we are at the mercy of the global markets and its supply chains at present.

We are seeing price increases across the supply chain driven by factors including raw materials availability, foreign exchange, and freight. We will need to pass these costs on if we are impacted by them, and we are receiving similar communications from our suppliers.

Air freight availability is limited from many destinations and prices are being quoted on a "spot" basis, which is leading to very significant price increases.

We cannot commit to conventional notice requirements for price increases in the current market.

We will keep our customers updated as soon as we can if we become aware of delays or other events that will have an impact on their business.

Please contact your Account Manager directly if you have any further questions in the interim.

## Hawkins Watts