



1 April 2020, 10:00am

Statement to Stakeholders of *Equator – the Belt Factory*

Current Way Forward to Navigate the Impact of the Covid-19 Government Directed Lockdown on Our Business

With alarming speed and unpredictability, the world as we knew it has changed.

Equator – the Belt Factory had already been fast to react, under the circumstances, with immediate action on March 4, when the first case was announced in SA. (Our actions are detailed in a blocked text at the end of this document in case you seek detail).

As the events have unfolded, we have formulated THREE major stages at Equator as a response to the impact on our lives and business, with the WHO motto that

“Speed is more important than perfection in managing a crisis”

1. **WELLBEING and LIVELIHOOD:** Our first responsibility was and remains our most valued asset and resource: our people. Our approach entailed
 - a. Facilitate a mechanism to get money to all staff during lockdown
 - b. Preserve Cash
 - c. Cut/defer all costs
 - d. Carry on as normal as possible, to continue serving our customers and honouring our suppliers
2. **PLAN FOR 90 DAYS, HOPE FOR 21:**
 - a. To prepare our staff and our operations we adopted the view that we would have no or have very limited operational capacity for longer than 21 days,
 - b. thus, we encouraged everyone to stretch limited resources, prioritize food, hygiene and medical treatment.
 - c. We anticipate a longer than 21 day lock-down – we’re planning for 90 days
3. **STABILISE, DOWNSCALE and REBUILD:** we now turn our attention to getting through this, so that we have an intact company afterwards to continue serving our customers, supported by our suppliers and assuring our staff a livelihood
 - a. Aside from up to 90 days of completely stalled sales and income; by our best estimates the market will drop demand to 50% of what we all previously enjoyed, for the foreseeable future.

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As a business we have focused very hard on being proactive and we feel everybody at Equator has been outstanding in helping us think, run, do, action, agree and respond.

Speed is more important than perfection.

On 2 April 2020 Equator is 19 years old. We weathered 2001/2002 and 2008/2009. Those financial challenges formed us. Shaped our thinking. Made us conservative. We have always run an honourable business, with the highest integrity and we plan to continue doing that.

To be clear we have every ethical intention to honourably operate the business.

That is not negotiable. In 19 years, our staff have never once been paid late or not in full. Our suppliers have always been paid on agreed terms and in full, except for one month in November 2008, or by oversight, always remedied once discovered.

We plan to stay in business.

None of us; customers, partners, staff, suppliers or service providers can get through this except by working closely together. Extended payment terms, suspension of non-essential services, downscaling and delayed payments will be unavoidable. To this end we will carefully manage our resources and solid reserves to ensure staff and corporate survival, **whilst we match outflows to the pace of inflows**. We are in this to emerge on the other side. Giving up is not in my DNA, and not in the DNA of Equator staff.

We believe the future needs sustainability.

Not just the green sustainability (which Equator embarked on in a big way on 2018) but sustainability in every sense to build towards a more equitable world.

Greater equality and sustainability of all elements of the supply chain & responsible consumerism is at the heart of the Equator for the future.

We're in it to win it. With more haste than ever.

I am available on my cell 084 800 5366 or email leon@equator.group at all times, EXCEPT complete non-access (for rest) between 5pm on 7 April and 8am on 15 April 2020. The same goes for my fellow director and business partner Marc Pozniak on 0828903137 or email marc@equator.group

Thank you for your time and for reading our statement.



Kind Regards

LEON BUHR

FOUNDER, DIRECTOR

HEAD: MARKETING, INNOVATION & GROWTH

RESPONSE BY EQUATOR – THE BELT FACTORY, on MARCH 4

On 4 March we constituted a 5-member crisis committee and immediately put in place hand sanitisers, infra-red temperature checks for all staff on arrival, banned physical contact and hand-shakes, limited outside visitors to the bare minimum, made available hand sanitizers, more soap,

gloves and masks, trained on coughing and sneezing protocols, and frequent and proper 20 second hand washing. Frequent company-wide communication sessions were held and posters around the premises communicated all new protocols. Temporary hand sanitizing stations were set up around the facility with dedicated bins. Hand towels were removed and replaced with paper towels. Surfaces were frequently sanitised and material made available around the facility to continue to do so. All internal access controls were opened for no-touch movement throughout the facility. Only clocking in and out remained in force but with hand sanitizer being extensively encouraged and available at the clocking stations. In the days following we implemented social distancing and smaller groups in the canteen and relocated all jobs that could work remotely, off site. We spaced out all remaining staff and ensured they were not close to each other. I hope it contributed to our staff wellbeing.

After the lockdown announcement, we suspended for the time-being, all non-essential services, and focused on stalling inbound raw materials whilst assessing and modelling the drop in demand going forward.

We paid our salary staff on the 20th of March (a week early) so that they could prepare ahead of the crowds for what we anticipated was going to be a lockdown the following week (a payday weekend).