
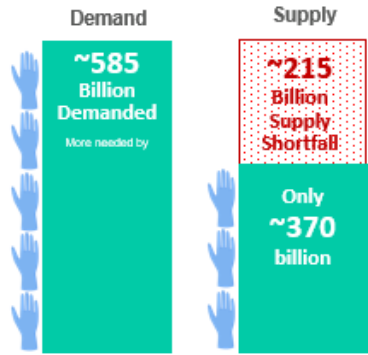


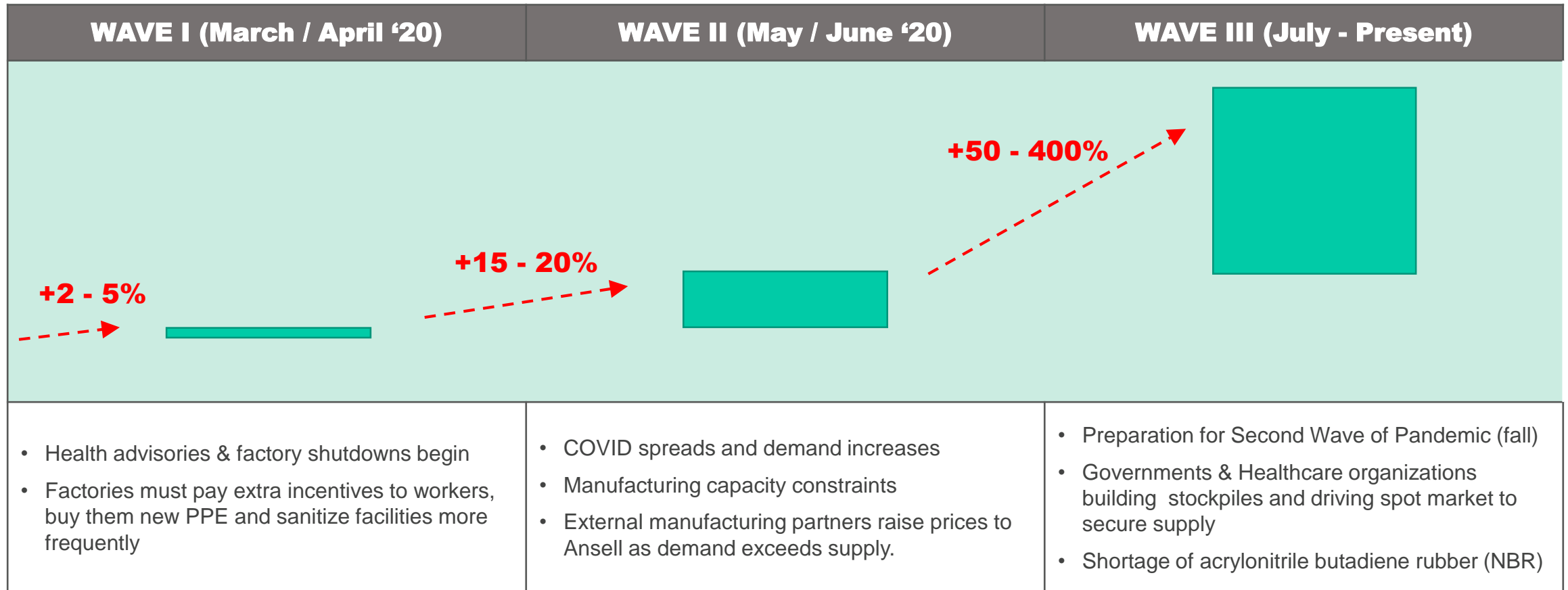


Single Use Glove Price Increases Explained

High Global Demand	Limited Global Supply	Raw Material Shortage	Additional New Costs
 <ul style="list-style-type: none"> Global demand tripled driven by healthcare, frontline workers and new hygiene protocols Government entities and major health systems building stockpiles in preparation for a potential second wave of coronavirus 	 <ul style="list-style-type: none"> Global supply is constrained by limited numbers of glove dipping lines. ~ 370 billion gloves are currently produced annually but an estimated 585 billion gloves are needed 	 <ul style="list-style-type: none"> As glove manufacturers maximize production, supply of a key raw material used to make nitrile gloves, acrylonitrile butadiene rubber (NBR), is under pressure Costs increasing between 30%-50% and expected to go up further 	 <ul style="list-style-type: none"> Incentive payments to attract workers due to labor shortages Costs of purchasing additional PPE for workers (e.g. masks) and more frequent sanitization of factories Higher distribution & logistics costs due to transportation companies' added PPE / sanitization costs

Single Use Glove Cost Increase Timeline

Cost Increases of 65% – 425%
Depending On Style



What is Ansell Doing To Minimize Impact

- **Expanding in-house production capacity** to increase volume in our manufacturing facilities (6 new lines in F21, 8 new lines in F22)
- **Maximize supply** by gaining volume commitments from Manufacturing Partners and securing incremental capacity to **maintain supply to our customers**
- **Negotiating with manufacturing and raw material suppliers** to lock in prices as they continue to rise (prices locked until December 2020 for ~90% of Single Use / Exam portfolio)



Media Reports: Single Use Glove Market Challenges



BUSINESS NEWS JUNE 4, 2020 / 4:04 AM / 5 DAYS AGO

Top supplier Malaysia sees no quick end to shortages in \$8 billion gloves industry

[Read full article](#)



After Six Months of Coronavirus, PPE Still Lacking

07/01/2020

Katie Wedell, The Repository, Canton, Ohio

[Read full article](#)



Protective equipment costs increase over 1,000% amid competition and surge in demand

By Daniella Diaz, Geneva Sands and Cristina Alesci, CNN
Updated 11:13 PM ET, Thu April 16, 2020

[Read full article](#)



LOGISTICS REPORT

Industrial Suppliers Under Pressure As Coronavirus-Driven Demand Surges

Inventories at industrial wholesalers and suppliers are running low as police officers, delivery drivers and other 'essential' workers seek protective gear

[Read full article](#)



Health

America is running short on masks, gowns and gloves. Again.

Health-care workers are scrambling for supplies and reusing equipment as the coronavirus pandemic surges

July 8, 2020

[Read full article](#)



CORONAVIRUS

“Like a Bully at the Lunchroom”: How the Federal Government Took Control of the PPE Pipeline

FEMA denies seizing shipments of masks and ventilators, but hospital workers tell a different story, and one medical-equipment supplier says the agency—“those rat bastards”—along with the FBI, has taken over his entire operation.

BY DIANA FALZONE

MAY 6, 2020

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