

# Covid Crisis

## COMMUNICATION

Sempermed USA  
Clearwater, Florida  
Date: 06/11/2020

Covid-19 is having a significant impact on the global supply chain for PPE. As a global glove manufacturer, we are also feeling the effect of the pandemic. Unfortunately, the strain on the supply chain will be felt well into 2021. To keep you informed of the changes occurring in this dynamic situation, we will issue a monthly communication covering the topics of manufacturing lead times, inventory impact, allocation protocol, and pricing.

### ➤ Manufacturing Lead Times:

*The latest Sempermed update on what is happening on a global manufacturing scale in the disposable glove market*

- Lead times have extended for all materials due to increased demand at the factory level
- The current disposable glove demand is exceeding the production capacity creating a shortage
- The global shortage is causing delays in distribution center and container shipments, as well as increased pricing in the global marketplace
- Factories are scheduling orders and commitments into the second half of 2021

### ➤ Inventory Impact:

*A brief update on any current events and status update regarding all Sempermed brands that are being directly impacted by COVID-19*

- Due to the increased production lead times, there will be rolling back orders for some products going forward, based on the flow of containers coming into our Distribution Centers. The product affected this month is: **Grip Strong Vinyl-GSVF**.
- Longer term back orders will occur on the following items with back orders beginning on some sizes as early as June/July: **Grip Strong Latex-GSLF** (currently out of stock), **StarMed Black nitrile-SMNB**, and **StarMed latex-SM**
- **SemperShield Extended Cuff nitrile - SSNF** has limited sizes remaining in inventory; Size L has already sold out and other sizes will follow beginning as early as June/July. The product will not be reordered after all inventory is sold
- Our order processing time might appear slower than usual as we wait for containers to arrive into our DC's so that purchase orders can be filled in one shipment

### ➤ Allocation Protocol:

*Sempermed has implemented an allocation protocol to protect our current customers and to prevent long term outages due to the global glove supply shortage*

- Be sure to keep your credit account current and within your specified payment terms
- Monthly allocations may be forfeited if your account is on credit hold
- Allocations are month specific and cannot be transferred to subsequent months

### ➤ Pricing:

- Due to overwhelming demand, prices are rising at a rapid, significant and unpredictable rate.