

# Our Commitment to Surgical Glove Supply Resiliency

## *The strongest links: Re-imagining our supply systems*

*by Chris Puricelli, Vice President of Commercial Gloves, Americas*

The last three years have provided significant challenges to global supply chains. Experts argue the world has faced a “perfect storm” of the COVID-19 pandemic, shifting labor demographics, global conflicts, and congestions in supply infrastructure. Regardless of industry or walk of life, no company nor individual has been unaffected by these shocks. Mölnlycke was no different. Worldwide lockdowns, large-scale



shipping disruptions, container constraints and extended transit times impacted orders, production, deliveries, and sales to customers.

“Thanks to the hard work of our local teams and partners in the US and around the world, Mölnlycke continued to deliver our products to hospitals and healthcare environments across the US and are welcoming new customers to

experience our portfolio of industry leading Biogel® surgical gloves.” says Chris Puricelli, Vice President of Commercial Gloves, Americas.

We understand that when the next global shock comes, we need to meet it with the same persistence and determination. Mölnlycke is a truly global business, delivering surgical products and technologies to healthcare practitioners and patients in more than 100 countries across five continents. How do we continue to safeguard strong and sustainable supply chains to support our customers in the years and decades ahead?

Clearly there is no one single answer. COVID-19 has focused attention on the importance of protecting both clinical staff and patients from the risk of infection in hospitals and other healthcare environments. At the same time, demand for elective surgery following the delays caused by the pandemic is expected to increase substantially in the years to come.

As global demand for Biogel® gloves grows, our strategy to meet this global demand must evolve alongside it. We need to face these challenges head on, increasing production, productivity, and shoring up supply chains through new approaches to manufacturing.



Last September, Mölnlycke opened a new factory in Kulim, Malaysia. The €50 million investment will increase our total glove manufacturing capacity by 50% and, when fully operational, will employ 800 staff producing an additional 200 million pairs of gloves. However, increasing production is just one piece of the puzzle in ensuring and strengthening our supply resilience. We know that in the new global environment, we must diversify our supply resourcing, developing dual sourcing strategies to reduce the risk of bottle necks. We have also invested significantly into increasing our shipping frequency from production facilities, expanding our range of suppliers and altering shipping routes to avoid congested ports. We are also exploring the use of sustainable raw materials and investigating how we can take responsibility for our products across the life cycle as well as sustainable transportation solutions.

None of our ambitions would be possible without our commitment to our staff. In the next two years we plan to grow our workforce by 500 people, providing long-term employment to local people in the Kulim region, but our responsibility goes far beyond that. We are deeply aware of our duty to ethical and social conduct associated with workers' rights and as we turn to the next decade, our role as an ethical employer, procurer and manufacturer will only strengthen. The last two years have demonstrated the deeply interconnected nature of Mölnlycke in global supply chains. The strength of Mölnlycke goes hand in hand with our value chain. In both, we are determined to be the strongest link possible. Now and in the years to come.



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