



1250 Sheppard Ave West Toronto, ON M3K 2A6  
TEL: (416) 661-1100 800-387-3713  
1320 – 40<sup>th</sup> Avenue NE Calgary, AB T2E 6L1  
TEL: (403) 273--4606 800-315-4866  
[www.waynesafety.com](http://www.waynesafety.com)

Friday April 17, 2020

The Covid-19 pandemic continues to play havoc with the worldwide supply chain and presents challenges to the distribution networks in Canada. One of the challenges has to do with accounting for and adjusting to the rapidly evolving cost of disposable gloves. Costs are rising due to the increase of prices in raw materials, the declining world money markets, and an unprecedented increased demand for product that manufacturers are unable to meet.

All of this has caused a ripple effect and Wayne Safety is feeling the effects as well. In the past few weeks, we have had to implement several price increases on our disposable gloves, much to our displeasure. Unfortunately, the disposable glove market continues to be extremely volatile and pricing is changing at a never-before seen rate. The current situation stands as per below:

- National Governments have become directly involved in the supply chain network. They are buying product from the manufacturing factories and co-opting inventory. The Governments are then looking to re-sell the product in direct competition with traditional distributors around the world and driving prices upward.
- Chinese and Malaysian factories are setting pricing as containers are ready to be shipped. They are informing their customers of the increased pricing and then asking if they are willing to accept the increase.
- If the answer is NO, then the factory offers the product to the next customer in line. If the answer is YES, then the container is shipped at the advised price.
- The increased demand for PPE products related to Covid-19 has caused a situation where the factories are unable to supply at the same level, creating a shortage of products that are essential in protecting people from a highly infectious disease that could lead to death.
- Essentially the manufacturers are now dictating market pricing and as an importer, Wayne Safety has made the decision to accept the price increases in order to make product available to be distributed to our customers across Canada. The inverse is that if Wayne Safety were not to accept the price increases from the Chinese factories, then we would not have any product to distribute to our customers.

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RESUSCITATORS  
FIRST AID SUPPLIES • WELDING HELMETS • SAFETY GLASSES • SIGNS • FACE SHIELDS • SAFETY  
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With the recent developments as described above in bullet form, Wayne Safety would like to notify its customers of the following changes to our pricing:

- All orders shipped before April 30, 2020 will ship with the current pricing honored. Wayne Safety reserves the right to limit the quantities shipped to our customers to avoid the hoarding of product, and to ensure there is a fair distribution of product amongst our customers.
- All back orders and new orders placed with Wayne Safety on or after May 1, 2020 will be placed in a queue on a first come-first serve basis. At the time of acceptance of the order, pricing will remain to be determined.
- When inventory arrives and product can be allocated to orders, the customer will be advised that a shipment is imminent, and the current pricing will be provided to the customer. Once a customer has approved the pricing, then the order will be released and shipped. If a customer declines the pricing, then their order will be cancelled, and the inventory will then be allocated to the next order/customer in the order queue.
- This policy will apply to products that are in high demand in relation to the Covid-19 pandemic. This list of items will include disposable gloves, N95 masks and respirators, goggles, and protective clothing such as coveralls.
- This policy will remain in effect until the Covid-19 pandemic has concluded and the market for PPE products stabilizes.

Wayne Safety would like to express gratitude to our customers for their patience and understanding during this pandemic crisis. Be assured that Wayne Safety is doing our best to help our customers in these challenging times. Please feel free to contact your local Sales Representative if you have any questions or concerns.

Sincerely,

Wayne Safety

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