

18 March 2020

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Robinson Healthcare Ltd is a large, financially strong, well invested British manufacturing company that is well positioned to continuing to supply your product needs.

We have an exceptional track record of delivering our products on time and in full and we are committed to providing you with the best possible service and supply continuity during the current Corona virus pandemic.

You can trust us with your orders.

Because of the significant amount of uncertainty over the continuity and quantity of ongoing supplies, this is a statement of our current position.

1. Robinson Healthcare is primarily a manufacturing rather than a sourcing business, with a significant investment in stock. In general we hold typically 3 months of stock across our finished goods and raw materials. We have taken action to increase these stock levels where possible in order to safeguard against raw material supply disruption and potential labour shortages.
2. However we may face some disruption in our supply chains. Most of our raw materials are procured from a diversified global supply base. Negative events in one geographic area can be dealt with by re- procuring from vendors in other geographies.
3. Because we have always had a policy of multiple vendors – all pre audited and approved by us, we can move supply sources quickly.
4. We are actively engaged with all of our suppliers to assess potential disruption to our supply chain so that we can take appropriate action in a timely manner.
5. It should be noted that some disruption may be unavoidable given the scale of the Corona virus issue. At the moment there is a growing risk of supply chain disruption in the EU.
6. We buy large quantities of non-woven raw materials for our dry, wet and sachet wipe production in the UK. Production of these items uses very little labour and goods are continuing to move around Europe so the risk is relatively low. Also, after the widespread lock down, Chinese producers are now coming back on stream to provide raw materials if required.
7. We use large quantities of cotton for our medical absorbent products and for personal hygiene. We hold large raw material stocks and do not anticipate any supply issues at this time.
8. We have a large sterile single use instrument business. Although we already hold huge stocks, we have increased our raw material procurement which will result in much higher stock levels to safeguard against any supply issues relating to lack of labour in the production process.
9. Our instrument production, finishing and sterilization is located in the UK and also in our wholly owned production facility in China.
10. Our large Chinese factory is back on stream after the enforced shut down and as it is fully certified, we can move production from the UK to China or vice versa as the need arises.
11. At the moment, disruption is being encountered on materials which have experienced a huge global upswing in demand due to the pandemic.

12. In particular isopropyl alcohol used in our pre injection swab and disinfection products procured from the EU is in restricted supply. We have enough to serve all regular demands however. As a precaution we have increased our procurement from alternative geographies.
13. We source our medical examination gloves from overseas. These are in short supply as there has been a huge upswing in demand due to Corona virus. In addition the main producing country of nitrile and latex gloves is Malaysia and it is unknown what the impact of the Corona virus may have on production. Vinyl gloves are in production in China but are in huge demand globally. We are expecting supply disruption therefore and our options for re-procurement are limited.
14. Our policy is to maintain supplies to our regular customers as a priority. We have planned to service their regular demand. We may not be able to service a huge increase in requirements from regular customers though we will attempt to do so, and with priority given to those customers. If there is sufficient stock left after servicing regular customers, we will offer this to others.
15. We will not seek to profiteer from the current situation by introducing unnecessary price rises. However please note that at this time Sterling has depreciated which has increased the cost of imported materials. Our currency hedging will smooth out currency movements in the short term but not over the long term. In addition, raw materials in short supply have increased substantially in price – in particular alcohol, biocidal materials and gloves. In time therefore we may need to pass on any significant increased costs of our products but we will try to avoid this if possible.
16. Like all manufacturing businesses, we need available labour to produce and dispatch our goods. As you would expect from a medical device manufacturer, we have introduced strict protocols internally for mitigation of infection risks and for the early identification of those who may become infected by COVID-19. At this time we are infection free and have no labour shortages.
17. We have conducted a risk assessment on the risk of contamination of our goods for sale. The conclusion is that there is zero to minimal risk. Most of our production is sterile and therefore will be free of any contamination. For non-sterile goods and external packaging, there is a risk of contamination but the limited viable life of the Covid 19 virus in the environment means that by the time the goods have been made, shipped and presented for use that the organism will pose no real risk. However your own organisation should employ strict hygiene policies to deal with this limited risk.
18. Robinson Healthcare is a responsibly managed business with no debt and large cash reserves. We do not expect any cashflow challenges that arise as a result of the current environment to adversely affect our ability to operate. We have large stocks and more than sufficient financial resources to fund our stock expansion.
19. If we think that your supplies will be disrupted we will let you know. In addition, we will give you the best estimate of delivery times for items out of stock. We will not offer goods earmarked for you to others offering a higher price.
20. All of our goods will continue to be sold with full regulatory approval. Robinson Healthcare are fully certified and ready for the introduction of the Medical Device Regulations in May this year.
21. This is a statement of our current position and may change with unfolding events.
22. If you have any comments or questions about this statement please contact the Finance Director at Robinson Healthcare on 01909 735000.