

25 March 2026

Supply Chain Update- Middle East Conflict: Global Industry Impact, Raw Materials and Pricing

Dear Valued Customer,

The ongoing conflict in the Middle East continues to escalate and is now having a profound and widening impact on global supply chains. We want to give you as clear and honest a picture as possible of what is happening, how it affects the products we supply to you and how we are managing the situation.

The Global Picture - From Crude Oil to Our Products

The conflict has severely disrupted the flow of crude oil and natural gas from the Middle East, a region that sits at the very beginning of the global petrochemical supply chain. To understand why this matters so directly to our products, it helps to follow the chain from source to shelf.

Crude Oil → Refining → **Naphtha** → Petrochemical Monomers → **Nitrile Rubber / PVC / Polyethylene** → Our Products

Crude oil prices have surged by approximately 100% since the conflict began on 28 February 2026, with Brent reaching nearly \$120 per barrel at its peak on 9 March and trading at around \$112 per barrel as of 23 March 2026. Crude oil pricing was consistently \$60- \$70 per barrel in the period prior to the war.

The most critical and immediate downstream impact, however, is on naphtha. Naphtha is the key intermediate product refined from crude oil and it is the essential feedstock for the entire global petrochemical manufacturing industry, including the production of the rubbers, plastics and polymers that our products are made from. A significant proportion (approximately 60%) of the naphtha that feeds Asian petrochemical manufacturing is sourced from or routed through the Middle East. With that supply now severely disrupted, naphtha prices rose by approximately 74% in just two weeks following the conflict's outbreak. This single price movement ripples immediately and powerfully through every downstream material in our supply chain.

The consequences across the global industry have been swift and significant. Polymer prices across key petrochemical materials rose by 41- 42% in the weeks following the conflict outbreak. Multiple major Asian producers have declared force majeure or significantly cut operating rates due to raw material shortages, 31 force majeure or supply allocation announcements for chemicals were recorded across Asia and the Middle East alone by mid-March 2026. The Middle East accounts for approximately 17- 20% of the world's ethylene capacity and close to 25% of global polyethylene and polypropylene exports, the loss of that supply cannot be quickly or easily replaced.

How Our Products Have Been Affected

Nitrile Rubber - Nitrile Disposable & Coated Industrial Gloves

Nitrile rubber is produced from petrochemical monomers that sit directly downstream of naphtha. As feedstock availability has collapsed, nitrile rubber raw material costs have doubled since the conflict began. Supply across the global market is running approximately 30-60% below normal production capacity, as manufacturers of varying size and buying power find themselves unable to secure sufficient feedstock to maintain full output. Significant price increases have been confirmed on April deliveries, with further increases expected for at least May and June.

PVC - Vinyl Disposable Gloves

Vinyl gloves depend on PVC, which is produced from ethylene, a petrochemical feedstock directly affected by the naphtha supply disruption. As noted above, the Middle East accounts for a significant share of global ethylene capacity and the sudden withdrawal of that supply has caused a sharp tightening across the PVC chain. Production capacity at Asian vinyl facilities has also been impacted, adding supply pressure on top of rising input costs.

Polyethylene - Polythene Products

Polythene products are manufactured from polyethylene, which is equally exposed to the naphtha price shock. Approximately 15% of global polyethylene production is located in the Middle East and 84% of Middle Eastern polyethylene exports pass through the Strait of Hormuz, the closure of this route has significantly reduced global supply. In addition, the sharp rise in natural gas prices, itself a direct consequence of the conflict, is adding a further layer of cost pressure on polythene, as gas is both a feedstock and a primary energy source for polythene manufacturing. UK polymer suppliers have confirmed that polythene is facing both price escalation and tightening availability, with supply delays anticipated across the market.

Natural Rubber - Latex Products

Natural rubber latex is sourced from agricultural plantations in Southeast Asia and is not directly linked to the oil supply chain, providing some initial insulation from the current shock. However, as demand shifts towards natural rubber to compensate for tightening synthetic rubber availability, pricing is beginning to react and availability may tighten further over time.

Polypropylene - Non-Woven Workwear

A large proportion of our non-woven workwear products, including coveralls, disposable overshoes and protective garments are manufactured from polypropylene (PP), a polymer derived from propylene, which in turn is produced from naphtha via steam cracking. PP is therefore directly exposed to the same upstream disruption affecting all our other petrochemical-derived products.

Other Product Categories

It is important to note that the raw material shortages and cost pressures described above are not limited to gloves, polythene and polypropylene. The same upstream disruption to naphtha, petrochemical feedstocks, energy and freight will increasingly affect a wider range of product categories across our portfolio.

We expect further product lines to come under supply and pricing pressure as the situation develops and we will communicate these impacts to you as they arise.

Payment Terms - Additional Upstream Pressure

In addition, payment terms across the supply chain have tightened, with many suppliers and logistics partners now requiring upfront payments. While this reflects increased financial pressure across the industry, we are actively managing the impact to ensure continuity of supply and minimise disruption.

Transport and Freight Cost Increases

The impact of the conflict is not limited to raw materials. Transport and freight costs are also rising significantly and this is adding further pressure to the overall cost base.

At the international level, Emergency Fuel Surcharges (EFS) have already been implemented by major carriers, driven by war-risk insurance premiums, route diversions, operational delays and the suspension of traffic through key maritime corridors.

The rise in petroleum prices is simultaneously increasing the cost of road transport, both in the countries where our products are manufactured and across UK and European distribution networks. We are also seeing UK transport activities and temporary energy and capacity surcharges implemented with immediate effect.

This is affecting the movement of raw materials to factories, the transport of finished goods to port and onward delivery to our customers.

We expect freight and transport cost to remain elevated for as long as the conflict and its associated disruptions continue.

Energy Price Increases

The conflict has driven a sharp increase in both oil and natural gas prices globally. Natural gas prices in particular have risen steeply, as the Middle East is a major source of liquefied natural gas (LNG) for European and Asian markets.

Rising energy costs affect our supply chain in multiple ways. For manufacturing, energy is a significant input cost in the production of gloves, polythene, and related products, higher energy prices therefore feed directly into production costs, compounding the raw material increases described above. For polythene in particular, gas is both a feedstock and a fuel source, meaning it faces a dual impact from the current energy price environment.

Beyond our current product range, sustained increases in energy prices will increasingly affect a broader range of product categories across our portfolio. We are monitoring these developments and will advise you of any further impacts as they emerge.

Impact on Your Pricing

To understand how pricing is being affected, it is important to explain that we use a weighted average of available inventory, in-transit goods and new purchase orders to calculate our pricing. However, continued uncertainty in raw material supply have prompted some suppliers to move to spot purchasing, leading to significantly increased costs. Due to this upward pricing pressure, please note that:

- **Price increases in the range of 10.3% to 26.3%, depending on the product line, will be implemented from the 1st of April 2026.**
- **Pricing beyond this point will be reviewed and adjusted as the situation develops, but increased cost pressure is expected for May and June.**

We want to be transparent about the challenge of pricing notification in the current environment. We are receiving multiple updates daily from our suppliers, manufacturers, and logistics partners regarding cost changes. This volume and pace of change makes it very difficult to price accurately and provide the notice we would ordinarily wish to give. We are working hard to assess the current situation as responsibly as possible and to balance that against the need to keep you informed.

As a business, implementing price increases across product portfolios, customer base and systems is a significant undertaking and we want to minimise disruption wherever we can. Our intention is to limit price increases to no more than once per month. In the event that the situation deteriorates further, there may be circumstances where a second monthly adjustment is necessary, but we will only take this step if it is unavoidable.

Looking Ahead

The situation in the Middle East continues to evolve and we are monitoring developments closely. At present, we do not have a clear timeline for when supply chain conditions will stabilise.

It is also important to understand that even in the event of an immediate resolution to the conflict, the disruption already caused will not simply stop. Supply chains operate with a significant lag. Feedstock that was never produced cannot be recovered overnight; manufacturing plants that cut capacity will take time to return to full output; and freight and logistics networks will remain strained until volume and confidence return to normal levels. In our assessment, the industry should anticipate at least six months of continued disruption and elevated costs from this point, regardless of how the geopolitical situation develops.

We will continue to provide you with honest, timely updates as the picture develops. Our commitment is to keep you as informed as we possibly can, as early as we can.

How We Are Supporting You

- We are not currently onboarding new customers, in order to safeguard the supply and service levels of our existing, loyal customers
- To further protect our valued customer partnerships, we have restricted stock requests on impacted product lines
- We are monitoring developments daily and maintaining close contact with our manufacturing and logistics partners across multiple geographies, leveraging relationships to ensure continuity of supply
- As a business that actively multi-sources across a number of supplier partners rather than relying on a single source, we are in a strong position to secure as much available supply as possible and to flex between partners as availability changes, this is a significant advantage in the current market
- Keeping you informed with regular updates as the situation develops, we will not leave you without information

We value your partnership deeply and everything we are doing is aimed at protecting your business alongside ours. Please do not hesitate to contact your Sales Representative if you have any questions about specific products, current orders, pricing, or stock availability.

Thank you for your continued understanding and trust.

Kind regards,



Jack Prichard
CEO

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8. IEA Oil Market Report, March 2026 — iea.org — Brent crude rose approximately 50% from pre-conflict levels; naphtha and polymer supply shock data.