

## Clean Partner

### Lower carbon footprint through local purchases

For decades already, Mirka's strategy has been to purchase as much of its components and raw materials as possible from local suppliers. In addition to short transports and a lower carbon footprint, this strategy also enhances quality and delivery security.

If Mirka is faced with the decision to choose between two different suppliers, that technically and economically are somewhat equal, the company generally favors the supplier that is geographically closer to Mirka's production facilities in Finland.

This way of working has many benefits:

- Short transports
- Lower carbon footprint
- Time savings
- Just-in-time deliveries
- Enhanced security of supply
- Closer relation to suppliers
- Easier to monitor quality

Mirka has consistently been working according to this principle for decades already, resulting in a big network of local suppliers. More than half of the raw materials and 30 percent of the components used by Mirka come either from the Ostrobothnian region or from Finland in general.

"Although you might get some

components at a lower price from Asia, you always have to have the total cost in mind", explains **Operations Director Joachim Rännar** at Mirka. "Longer transports increase costs both in terms of time and money and if there is a problem, it is generally easier to solve the closer the supplier is. It is also a great benefit if the supplier can visit our factory to get to know Mirka and our needs."

#### Lower transports and less packaging

This way of working applies to all sourcing at Mirka, from raw materials for abrasives to components for electrical tools. When Mirka first started producing electrical tools a decade ago, the components were first sourced mainly from Asia, but later Finnish suppliers were chosen instead.

"It is easier to handle things when you can communicate with people close by. Moreover, the transport costs can be quite high if you are not able to fill a whole container. Luckily, it has been easy to find local suppliers of components for our tools. And if we cannot find Finnish suppliers, the next step is to look for European suppliers. The closer they are to our factories, the better", says Rännar.

#### Reusable packaging

The environmental benefits of this supplier strategy not only come from shorter transports, but also from less packaging. The longer the transport, the more packaging is usually needed. With local suppliers, Mirka has been able to develop rotating systems with reusable packaging.

"I see this as a win-win situation for both us and our suppliers. They know that we have high demands on quality, and we have been able to mutually enhance both quality and processes."

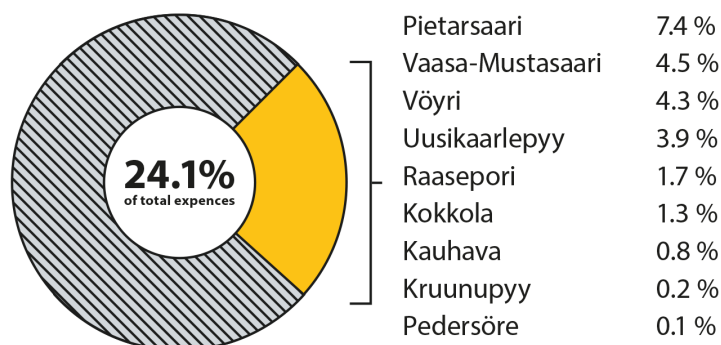
#### Successful strategy in 2020

In 2020, the local sourcing strategy proved to be more beneficial than ever, as the year was turbulent due to the pandemic. In the beginning of the year, there were disturbances in the supply chains from Asia because of lockdowns in China. Later on, there was a shortage of transport capacity from Asia.

"Of course we were not immune to these problems, as many of our local suppliers are dependent on raw material and components from Asia. However, we were in a much better position than we would have been if we had sourced everything in Asia. What we learned in 2020 is that it is vital to have many different suppliers to spread the risks", says Rännar.

## Supplier expenses to local municipalities

( < 100 km from all four of our manufacturing sites in Finland )



## Program setting industry standards in Europe

As a member of the Federation of European Producers of Abrasives, FEPA, Mirka had a central role in the founding of the Sustainable European Abrasives Manufacturer (SEAM) program, that was launched in 2020.



Sustainable European Abrasive Manufacturers

The objective of the SEAM program is to support and assist European abrasive manufacturers on their way towards sustainable growth and sustainability improvements, mostly in production and distribution. The program is organized into the three fundamental pillars of sustainability: environment, labor and economy.

To be approved in to the program, manufacturers have to meet a series of minimum requirements within these pillars, so for Mirkas part this came naturally through our commitment to sustainability

The SEAM programs idea is to set

a European sustainability standard that pulls industry upward where it can find the right balance between environmental efficiency, production performance, labor safety for the whole abrasives industry in Europe comes together to lead an even stronger sustainable development.

## Dust-tree: Clean air by Abranet in India

“We have only one home.” Mirka India has firm faith in protecting the environment. To further strengthen the actions done by Mirka globally, they took another step by offering a solution that creates a clean and healthy environment.

Since its conception, Mirka’s dust-free solution has created a stir in the market. The Abranet + Mirka DEROS + Dust Extractor combination is a valuable deal for our customers and partners. In 2019 Mirka India showed how our solution can benefit the environment.

With facts collected from wood workshops they concluded that Mirka’s dust free solution catches approximately 2.3 kg of dust per 8 hrs of shift. To back it up with facts it was calculated that the amount of

dust caught by a single sacred fig, or peepal, tree is about 2.3 kg per month. It means that using Abranet is equivalent to planting 26 trees.

As a result, Mirka India partnered with the NGO Give Me Trees trust and launched the Dust Tree-campaign in Delhi – one of most polluted cities in the world. The outline for the campaign was that for every 500 discs of Abranet sold, Mirka India would plant a peepal tree in selected green areas in Delhi. Interested customers were also invited to these plantings where they were introduced to the natural phenomenon of a self-sustaining eco system.



After the planting, the Give Me Trees trust, which co-operates with the government, takes responsibility for caring for the trees. The campaign created a buzz among customers in India and had all ingredients to become a success. Unfortunately, the outbreak of the corona epidemic, and all restrictions that followed in its wake, the campaign was put on hold in 2020.

## Renewing the car fleet in Brazil

In many countries a car is a necessity, for example when visiting customers, and Brazil is no exception. But as well known, emissions from transport have a major environmental impact.

Therefore, Mirka Brazil decided to do their part, and advocated the strategy that, as the car fleet was renewed, emphasis would be placed on more

environmentally friendly alternatives to cars running on traditional fuels.

This meant moving away from diesel and gasoline in favour of biofuel and hybrid vehicles. This strategy has paid off and in the end of 2020 only 16 percent of Mirka Brazils car fleet consists of cars run by traditional fuels

(8 % gasoline, 8 % diesel). Currently most of the fleet is biofuel driven (67 %) and about one fifth of the cars are hybrid vehicles.

In the future plans are to explore the possibilities to further develop the car fleet towards more eco-friendly and increase the amount of hybrid and electric vehicles.