



4th Neltume Ports Alignment Meeting



SUATILCO

Port Operator
Montevideo-Uruguay





SUATILCO

Suatilco is a start up, and the exclusive port operator of UPM II pulp and chemical terminal in Montevideo.
Shareholders: 50% Neltume Ports, 50% CHR Group
Operations to begin from Nov/22.

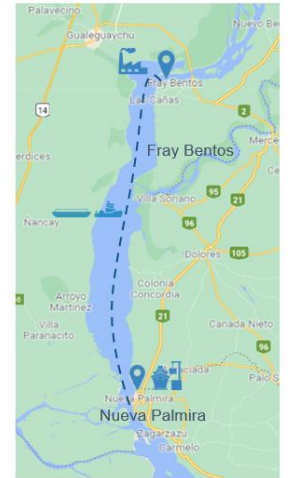


SUATILCO

 **NELTUME PORTS**
Empowering Trade

UPM I

- In 2006 Botnia began operations in Fray Bentos
- In 2009 UPM acquired Fray Bentos pulp mill (UPM I)
- Pulp production: 1,3 Mton/year
- Pulp is transported by barges to Nueva Palmira
- In Nueva Palmira pulp is operated by Rioestiba at Ontur Terminal
- Neltume Ports is shareholder of
 - 50% of Rioestiba
 - 28% of Ontur



RIOESTIBA

**Terminal
Ontur**
NUEVA PALMIRA

UPM II

- In 2019 UPM began the construction of a new pulp mill in Paso de los Toros and a dedicated port terminal in Montevideo
- Pulp is transported by train
- Suatilco (a newco integrated by Neltume Ports and CHR Group as Rioestiba) won the tender for the operations in Montevideo Port
- Term: 10 years

- **Associated investment:**
 - Total UPM - 4 kMUSD
 - Port Terminal 280 MUSD
 - Uruguay government in train infrastructure - 1 kMUSD
- New **jobs** (direct + indirect): 8.000
- Uruguay **GDP +2%** (1 kMUSD)





UPM II



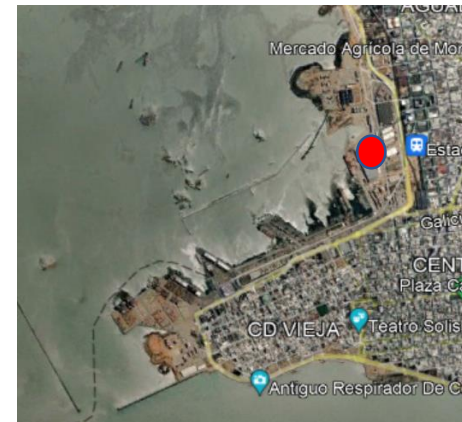
SUATILCO

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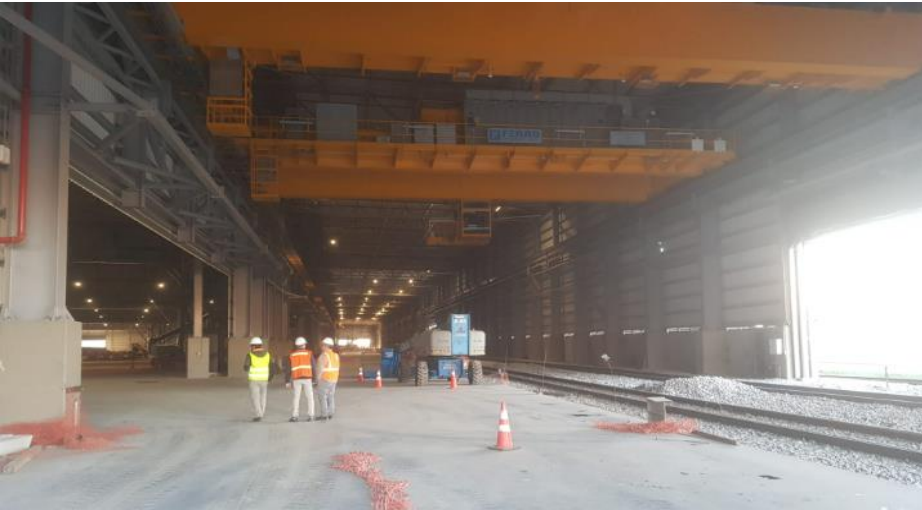


Port Terminal

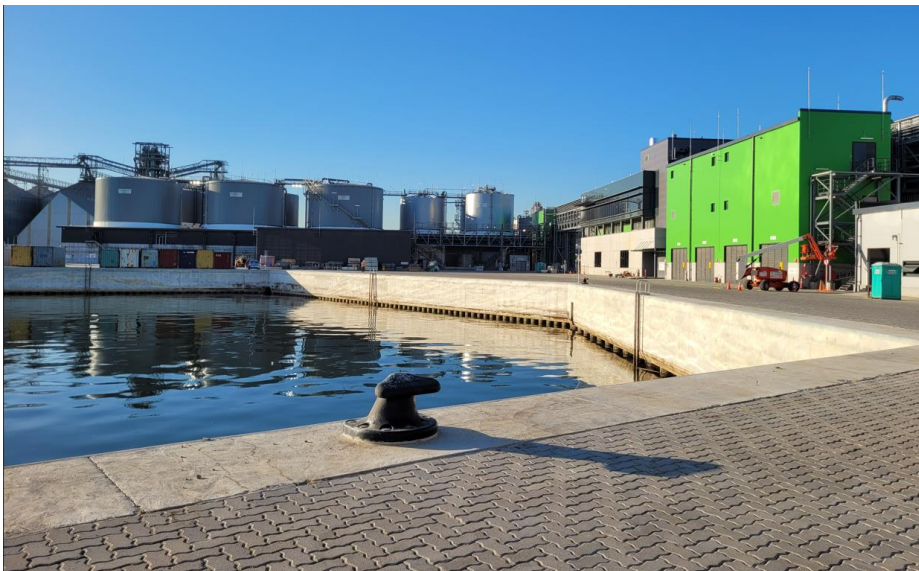
- 50 years concession
- 1 dedicated berth 230m – pulp & Chem
- 1 annex berth 230m for a second vessel (property of Obrinel)
- 58.000 m² warehouse
- 115 to 150 Kton capacity
- Roofed area for train unloading, 500m length, for 26 wagons of 64 ton
- Roofed area for chem train loading, 200m length
- Roofed container stuffing facilities
- Liquid storage (9 tanks)
 - Sulfuric Acid 9.000 m³
 - Heavy Fuel Oil 16.000 m³
 - Sodium Hydroxide 16.000 m³



Port Terminal



Port Terminal



Operations

Pulp operations (2.1 Mton/year)

- Train unloading
- Warehouse management
- Vessel loading
- Container stuffing
- Truck loading & unloading

Vessels per year

- 23 Full Load (50 Kton)
- 48 Top off (20 Kton)
- 26 Chemical

Chemical operations (0.3 Mton/year)

- Vessel unloading
- Train loading



Pulp loading

This is a pulp loading introduction video used for describing operation in the recruitment process. This is part of Rioestiba operation in Nueva Palmira.



RIOESTIBA



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Figures

Staff – 243 people

- Administration & Maintenance 40
- Direct Pulp operations 184
- Direct Chemical operations 19

Main equipment

- Clamp truck 12
- Terminal Tractor (*) 18
- Roll trailer (*) 28
- Stuffing Clamp truck 03

Capex

4,2 MUSD

(*) Equipment bought by UPM
not considered in Capex



Main challenges

#1 - Productivity

Loading productivity by contract is 25.000 ton/day

Our average productivity in Rioestiba is 22.000 ton/day

#2 - Working habits

We are operators in Montevideo and Nueva Palmira, we aim to modify some established working habits.

#3 - Vessel loading simultaneity

If needed 2 vessels will be loaded simultaneously. That doubles the number of operative staff in some punctual circumstances.



Action #1 – Recruitment & training plan

We decided to recruit and train 100% of the operative staff outside of the port community.

Applicants are selected by **2 NGOs** that work in vulnerable context in Montevideo: Fe y Alegría & Los Pinos.

These NGOs have a **different approach** than standard recruitment agencies and make a careful selection with emphasis **in responsibility and values**.

They are doing an excellent job. The **experience** with workers that came from these programs is very good.

This is an opportunity for people belonging to vulnerable social contexts and young people with no prior working experience to access a well-paid job.

We put emphasis in **gender and age equity**.



Fe y Alegría
URUGUAY



LOS PINOS
CENTRO EDUCATIVO



Action #1 – Recruitment & training plan

Recruitment and training process:

- 1 – NGOs offer the opportunity to **people that are already part of their programs**, helping the community to apply for a job.
- 2 – NGO´s First training – 1 month, 4 hours/day, working in transversal skills, and evaluating compromise with work and values (first selection step).
- 3 – NGO´s Specific training – postulants are trained in forklift operation and get an operator license (second selection step).
- 4 – NGO´s Evaluation - psychotechnical to psychophysical (third selection step).
- 5 - Suatilco Internal training (forth selection step):
 - Crane operator (special plan)
 - Clamp truck and Terminal tractor operation done by a local third party
 - Stevedores and others done by internal trainees
- 6 – Suatilco Selection and hiring (result is 60% of the NGO group of step 1).
- 7 – NGOs track and support new employees during the first working months.



Fe y Alegría
URUGUAY



LOS PINOS
CENTRO EDUCATIVO



Action #2 – Special training plan

The most challenging position to train is **vessel crane operator**, because of the cost of hiring or using an operative vessel for this purpose. Therefore, **2 gantry crane simulators** are being developed in Brazil, with traditional screens and 3D lenses. Each operator will have 20 to 35 hours of practice on simulator before training in real vessel.

Brazilian trainers with experience in loading pulp vessels will be hired for training with simulators and during the loading operation of the first 8 real vessels.

In our experience **stevedore** is the most difficult position in terms of motivation. Therefore, this position will be covered with a special kind of **internship**: one year first working experience for young people.

During the first operation year, when **simultaneity** will not happen, clamp truck drivers will be trained in cranes and terminal tractor drivers in clamp trucks. Terminal tractor drivers and stevedores will be hired from a third party when simultaneity occurs.



Action #3 – Operative System

Celsys is a software in construction that will run in each equipment: Terminal Tractor, Clamp truck, Crane.

Each operator must **log in** and will get a list of all the movements to be done described step by step.

In the **planning module** the planner will program the vessels to be loaded and train/trucks to be unloaded.

Control module will show key indicators and alarms of the operations, equipment and operators in real time, to the operations chief in a tablet, to the planner/controller in the control room.

The **reporting module** will generate reports of the different operations including SOF.

CELSYS

PLANNING

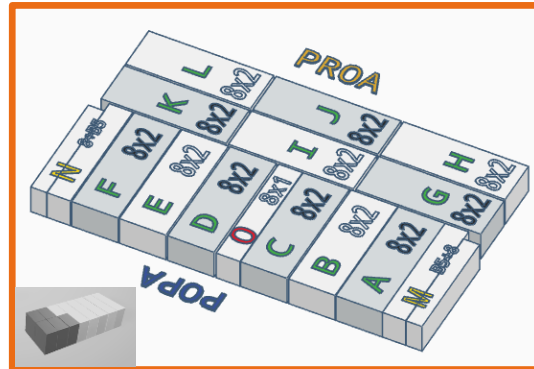
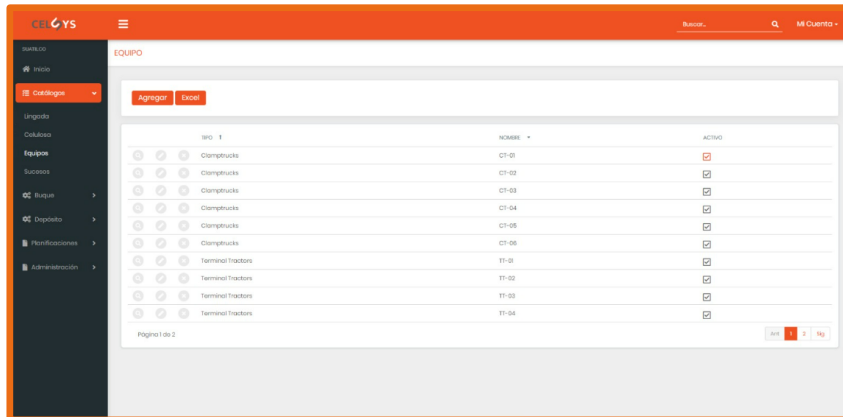
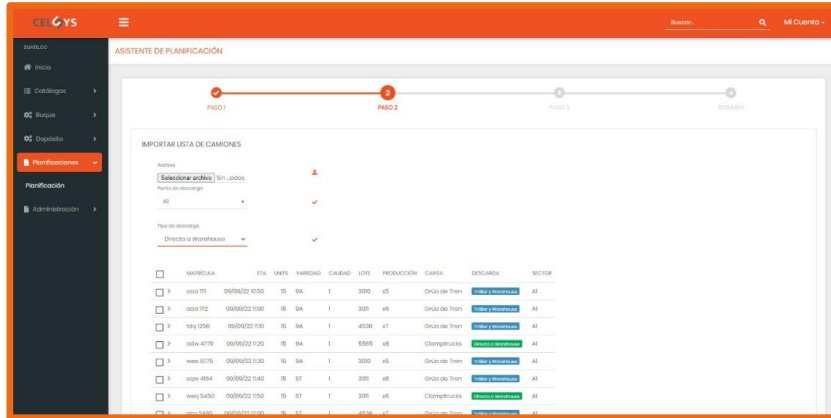
STEP BY STEP COMMAND

ONLINE CONTROL

REPORTING



Action #3 – Operative System



CELSYS

PLANNING
STEP BY STEP COMMAND
ONLINE CONTROL
REPORTING



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Thank you!

