

GOODSTORIES



KWH LOGISTICS MAGAZINE FOR CUSTOMERS AND STAKEHOLDERS | 2020

**NORDIC SOYA: UUSIKAUPUNKI AS A HOME PORT
RETIRING WITH GOOD MEMORIES
RAUANHEIMO EXPANDS TO THE PORT OF TORNIO**

Dear reader,

We want to share with you some good news. You are reading our new GoodStories customer magazine, where we share real-life stories about how goods move from one place to another and what new things are about to happen in our operations.

The purpose of our work is to make the daily work of other people easier, such as our customers, partners or work colleagues. We all want to do our job well so that stories like the ones told in this magazine are born.

I was supposed to avoid referring to the Covid-19 here, but it is impossible. In the modern era, I doubt there will be another year of transformation like 2020. The coronavirus affects all of us in one way or another. To those who are facing worries and difficulties due to the coronavirus, I wish you a quick recovery from this situation.

However, the coronavirus has also brought about some good things: digitalisation has taken great leaps forward, climate change has slowed down, at least for a while, and new business opportunities have been created and will continue to be created. It is also easy to forget that a large number of companies have continued to operate close to something like normal. These are some of the good news that tend to be overshadowed by dramatic changes.

In this magazine, we will share good stories about our customers, personnel and our own operations.

In this issue, our customer introduction features Nordic Soya Oy, a company that is a shining example of how business ideas that sound impossible can be put into action if you have a bold and open-minded attitude. Most of all, it is a good story of how domestic entrepreneurship is the backbone of Finnish society.

In the profiles section, we meet two very experienced professionals who are about to retire. They both have a huge amount of experience. I am especially grateful that they are willing to share how they see working life with those of us who are still working and those who are at the beginning of their careers.

The third topic covered in the magazine is our own growth story. KWH Logistics has always wanted to grow and develop while responding to customers' needs and wishes. We introduce Rauanheimo's newest branch in Tornio as a growth location.

Dear reader, I hope you have a great time reading the good news in this magazine.

Markku Mäkipere,
Marketing Director, KWH Logistics
Managing Director, Stevena Oy, Moonway Oy



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FLASH NEWS

Photos: KWH Logistics



ADOLF LAHTI ESTABLISHES TO RAUMA

Since this spring Adolf Lahti has taken care of relocating UPM Rauma's production straight from the roll packaging centre to the port warehouse. Smoothness of transportation is in a key position because even a few hours break may lead to shutting down the paper machines. Adolf Lahti has also a workshop within the factory area where they can maintain and fix not only their own equipment but also UPM Rauma's heavy machinery. They can now offer repair and maintenance services to others as well.

RAUANHEIMO INVESTS IN THE PORT OF HAMINAKOTKA

Rauanheimo's investments in Mussalo port are progressing according to schedule. The company has four warehouse terminals in Mussalo of about 30 000 m². In late summer, the company's new unloading terminal for railway wagons was introduced. The terminal is suitable for handling i.a. grain and fertilizer. During fall, Rauanheimo invested in a 26 000 m² property, which will be modified to a high-quality warehouse. Rauanheimo is looking to expand not only the position as a leading bulk terminal operator but now also offering total logistics services also for other types of goods in the port of Mussalo. The investments are expected to gradually increase volumes from the current yearly capacity of about one million tons to three million tons.

KWH FREEZE UTILIZES NOW SOLAR POWER

KWH Freeze acquired a solar power plant on the roof of their extension that produces approximately 420 000 kWh energy in a year. This will reduce the CO₂ emissions by almost 99 000 kilos which can be compared to driving 800 000 kilometres with a car. The power plant reaches its peak in the summer when the energy demand is at its highest. The power plant will be extended after the next warehouse extension is completed. The combined power plants will produce about 780 000 kilowatt hours of solar energy on an annual basis which corresponds to the annual consumption of roughly 45 electrically heated detached houses.

IRON OXIDE TRAFFIC IN KOKKOLA

Rauanheimo has during a long period of time handled iron oxide in the port of Kokkola. The volumes decreased in 2015 and exports ceased, but they have now started again. The preliminary goal is to yearly transport approximately half a million tons iron oxide by rail to the port of Kokkola. In Kokkola vessels are loaded about every other month with around 80 000 tons iron oxide per vessel. This traffic brings up to cape-size class vessels to the 14 meter-deep port of Kokkola and means increased volumes for Rauanheimo, which contributes to increased turnover and employment.

NEW CONTAINERS FOR MOONWAY

Moonway keeps their container fleet in good condition and updated. In accordance with their renewal program, they purchase a few new tank containers every year. Recently their fleet was completed by six 25 m³ tank containers for foodstuffs. During the last couple of years, the company has also purchased 20 new dry bulk containers. As a new service they are now offering rental of containers that can be used for foodstuffs and liquids. This is a flexible and cost-efficient way to solve a temporary need for storage of liquids.



Veli-Matti Reunasalo, Sales Manager Janne Salonen from Stevena and Vesa Reini from Nordic Soya at the Port of Uusikaupunki. Photo: Rami Nummelin.



Nordic Soya Oy

- Established in 2015
- About 40 employees
- Production capacity 240.000 t. annually
- Turnover about EUR 40 million
- About half of the production is exported

Oy Blomberg Stevedoring Ab and Stevena Oy

- The leading agribulk port operators in Finland
- Operations at six ports on the west coast
- A total storage capacity of 150.000 m²
- Stevedoring and warehousing is carried out in accordance with the certified GTP system

Photo: Nordic Soya

Nordic Soya

UUSIKAUPUNKI AS A HOME PORT

NORDIC SOYA DEVELOPS AND MAKES FEED MATERIALS THAT CREATE ADDED VALUE. LOGISTICS PLAYS A BIG ROLE IN THE COMPANY'S COMPETITIVENESS.

Nordic Soya's key products include concentrates, which the company supplies to fish feed and farm feed manufacturers as well as directly to farms. The production plant also makes soybean meal.

The main raw material used by the company is soya, but Finnish broad beans and turnip rape are also used. The company increasingly buys soya from Europe, as the feed industry is paying even more attention to the sustainability of plant proteins.

- This has changed how the competition works, but the growing demand for sustainable products is a positive thing for us. Our production is flexible in the sense that we can make both GMO and GMO-free products, says Nordic Soya's CEO **Veli-Matti Reunasalo**.



Veli-Matti Reunasalo

- Loading 2,000 tonnes of product into a vessel only takes around 10 hours. Loading the product also does not raise dust even though the product is a very fine powder, says Reunasalo.

Cooperation that has lasted for years

Logistics plays an important role in Nordic Soya's business operations, which is why the company expects a lot from its logistics partner.

At Uusikaupunki, the company has worked with Stevena from the time the company was established. Overall, the cooperation has gone well: thanks to its experience, Stevena understands how important matters such as warehouse management, quality and product safety are to business.

Cooperation in many ports

Most of the raw material used by Nordic Soya is transported by ships to the Port of Uusikaupunki. Finished soy protein concentrate is also loaded into vessels, mainly those bound for Norway, at the same port.

Stevensa unloads the cargo from the vessel onto lorries that transport the raw material from the ports to the factory. Some of the soybean meal is warehoused in the port area, and Stevena takes care of loading the soybean meal into customers' trucks.

- We also use other ports, from which we deliver products directly to customers. We work with Stevena also in Turku, and in Vaasa our partner is Blomberg Stevedoring, says Nordic Soya's Commercial Director **Janne Lukkarinen**.

Stevensa has developed special Conloader -loading containers for soy protein concentrate to be exported that enable quick and smooth loading.



DIGITALISATION WILL ALSO ARRIVE AT PORTS.

Challenges may sometimes arise when working together, but these can be tackled together as part of day-to-day work. Stevena welcomes ideas for improvement, and the next steps forward have to do with digitalisation.

- Digitalisation will also arrive at ports. All information will become electronic, and communication will get faster and better, Lukkarinen says.

New things ahead

Nordic Soya is developing new plant protein products to add to its existing product range. According to Reunasalo, the company will know more about the future of these products in a year or a year and a half.

The goal is to create a new export product, which would also bring more work for Stevena. Lukkarinen brings up the company's worry about the capacity of the Port of Uusikaupunki.

- It is clear that we need more storage space. I hope that Stevena will also seek solutions for this even though decisions regarding the port are made elsewhere.

Photo: Rami Nummelin



Mirja Hihnala worked for Rauanheimo for almost 40 years. For the last 20 years, she worked as a Shipping Manager. After retirement, she wants to spend time at her summer cottage and travel once traveling is possible again. Joel Salmela took over as Rauanheimo's Shipping Manager on 1 October 2020.

Hannu Myllymäki retired from his role as Backman-Trummer's Area Manager for Kokkola in June. He worked for the company for 24 years. After retirement, he will dedicate his time to Hermes ice hockey, doing volunteer work for organisations and spending time with his grandchildren. Johan Smedjebacka took over as Backman-Trummer's Area Manager for Kokkola on 1 May 2020.

Photo: Anne Yrjänä

Decades of work completed

RETIRING WITH GOOD MEMORIES

MIRJA HIHNALA AND HANNU MYLLYMÄKI, TWO EMPLOYEES WHO HAVE HAD A LONG CAREER AT KWH LOGISTICS, ARE MAKING ROOM FOR YOUNGER EMPLOYEES. WHAT DO THEY THINK ABOUT THEIR CAREERS? AND WHAT ADVICE WOULD THEY GIVE TO THE NEXT GENERATION?

Mirja Hihnala started working for Rauanheimo nearly 40 years ago as a Shipping Secretary, and, as the years went by, she became a supervisor and a Shipping Manager.

- I noticed a job advert in a newspaper, got the job and have been happy working here ever since. It has been very interesting to meet people from different cultures, and personal contacts have been very important to me.

Hannu Myllymäki found his way to Backman-Trummer in 1996. When he started working in forwarding in the late 1970s, working in an international role was far less common than it is today.

- I immediately knew that international transport and communicating with international customers were what I wanted to do. I was promoted to a supervisory role even before I started working for KWH Logistics.

From one change to another

Mirja and Hannu have seen many changes during their career. They have been able to very closely follow how Finland's EU membership freed up trade and how Europe's internal container traffic started.

Technological development has also changed the way work is done. According to Hannu and Mirja, the changes have brought new dimensions to the work and made it easier to do things such as communicating with customers.

Mirja thinks back to the beginning of her career in vessel clearance, when telex, telefax and phone calls were the only available methods of communication and there were often long delays in receiving and relaying information.

Now, you can receive an answer by email in no time at all.

Hannu thinks that the changes along his career path have been important and have helped him maintain interest in his work.

- I started working in a supervisory role ten years into my career. After another ten years, Finland joined the EU, and ten years from that Europe's internal container traffic started up. I have been quite lucky in this respect.

Advice for younger employees

Moving on to the next chapter in their lives, Mirja and Hannu feel fortunate and even privileged. They have been able to do meaningful work in a good work community for their entire career. The work has been challenging in a good way.

- This has been a very interesting job and field, and we have been able to deal with change relatively painlessly, says Mirja.

Both Mirja and Hannu have always been curious about new things. They also encourage younger employees to have the same attitude: it is a good idea to go along with change with an open mind.

Both of them will continue to keep track of the industry. After all, there is nothing that can make them stop caring about the work they did for decades. However, they are happy to leave their work to their successors. They have been able to take their time to train their successors.

- There has been a surprisingly large amount of tacit knowledge that needs to be transferred. I would be happy to continue helping, but, on the other hand, the younger employees do know what they are doing, Hannu says with a laugh.



THERE HAS BEEN A SURPRISINGLY LARGE AMOUNT OF TACIT KNOWLEDGE THAT NEEDS TO BE TRANSFERRED. IT WOULD BE A PLEASURE TO CONTINUE HELPING, BUT, ON THE OTHER HAND, THE YOUNGER EMPLOYEES DO KNOW WHAT THEY ARE DOING.

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RAUANHEIMO HAS GROWN RAPIDLY IN THE PAST FEW YEARS. THE PORT OF TORNIO WILL BE THE 10TH PORT IN WHICH THE COMPANY HAS OPERATIONS.



Rauanheimo's Regional Director of the North Region Seppo Vehkaoja and Specialist Pasi Salmela in front of a brand new Mantsinen. Photo: Rauanheimo

Strategically important step

RAUANHEIMO EXPANDS TO THE PORT OF TORNIO

RAUANHEIMO HAS SIGNED A MULTI-YEAR CONTRACT WITH OUTOKUMPU FOR CRANE OPERATIONS IN THE PORT OF TORNIO. THE OPERATIONS WILL COMMENCE IN THE BEGINNING OF YEAR 2021.

To offer the services, Rauanheimo will acquire in cooperation with their sister company Adolf Lahti Yxpila hydraulic material handling equipment by Finnish Mantsinen to Tornio. Adolf Lahti will be responsible for machine maintenance.

With this approximately 8-million-euro investment Rauanheimo will meet Outokumpus requirements for safety, sustainability, environmental responsibility and more efficient handling of raw material and products.

Growth and development

Rauanheimo has grown rapidly in the past few years. The port of Tornio will be the 10th port in which the company has operations.

Due to strong growth, Rauanheimo has been able to add resources to the development of operations with focus on safety, environmental sustainability, and efficiency.

*- We are currently implementing the most recent ICT solutions and we will continue to introduce them gradually. We are actively participating in the development of solutions to meet the maritime logistics needs. We are systematically training our employees according to customer needs and to react to changes in them, says Rauanheimo's Specialist **Pasi Salmela**.*

Salmela believes that especially these factors were of essence when Outokumpu decided on a crane service provider.

- We share the same values with Outokumpu and are expecting the development-oriented cooperation to bring added value to both parties' businesses and to open opportunities for new forms of cooperation in the future, states Salmela.

Strategic partnership

About 500 vessels call at the port of Tornio every year. The volume of freight traffic is currently just under three million tons per year.

Outokumpu is the number one stainless-steel producer in the world and Tornio steel mill is the world's largest integrated stainless-steel production facility.

- We are naturally happy and proud that Outokumpu has

*chosen us as a strategic partner, says Rauanheimo's Managing Director **Joakim Laxåback**.*

- The contract is strategically very important for us. With the help of new locations, Rauanheimo will gain market share in Finnish ports and at the same time strengthen our position as a leading provider of modern service solutions in Finland, tells Laxåback.



WE SHARE THE SAME VALUES WITH OUTOKUMPU.

Rauanheimo in Tornio

- Rauanheimo's operations in Tornio will commence 1.1.2021.
- Tornio is the 10th port where Rauanheimo has operations.
- Rauanheimo invests 8 million euros in the port of Tornio.
- About 500 vessels call yearly at the port of Tornio.
- The ports yearly freight traffic volume is currently just under 3 million tons.
- Outokumpu is the number one stainless-steel producer in the world and Tornio steel mill is the world's largest integrated stainless-steel production facility.



Anton Holm

has been appointed as Sales Manager at **Rauanheimo** Kokkola as of 7.10.2019. His area of responsibility includes the Western area and the port of Kokkola. He has years of experience from Rauanheimo's Container department where he has worked as Traffic Operator since 2010.



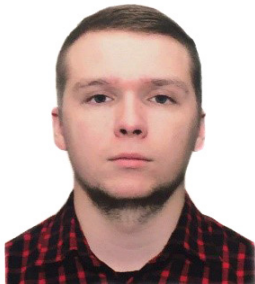
Kim Ventin

has been appointed as Regional Director of the Western Region at **Rauanheimo** as of 15.2.2020. He has 16 years of experience in management and development positions i.a. the fields of logistics and supply chains at Boliden Group situated in Rotterdam, Kokkola and Stockholm.



Johan Smedjebacka

has been appointed as Area Manager at **Backman-Trummer** Kokkola as of 1.5.2020. Previously he has worked as Logistics Manager at Prevox and Warehouse Manager at OSTP Finland. In the spring of 2019, he started as Key Account Manager at Backman-Trummer.



Nikolay Molchanov

has been appointed as Senior Sales Manager at **Rauanheimo** Moscow as of 3.8.2020. Previously he has worked at Taltek Ltd and for the last four years as a Manager of Carbo One Ltd's Commercial Department.



Björn Knutar

has been appointed as Sales Manager at **Blomberg Stevedoring** Vaasa as of 10.9.2020. Previously he has worked as Cargo Manager/Cargo Sales Manager at Wasaline, Export Sales Manager at Mirka and Area Director Central & South Europe at Finnair.



Joel Salmela

has been appointed as Ship Agency Manager at **Rauanheimo** as of 1.10.2020. He has a long history in the company and years of experience from the Ship Agency department. In 2011 he was first hired as a Supervisor and in the spring of 2013, he started as a Shipping Agent.

Photos: KWH Logistics

KWH Logistics key figures (2019)



Turnover MEUR

187



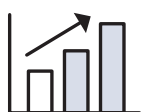
Personnel

587



Ship calls

2385



Average annual growth

10%



Investments MEUR

96 (IFRS16)



Cargo volume (million tonnes)

13,1

KWH LOGISTICS

MOVING AND HANDLING GOODS AS WELL AS WAREHOUSING IS AT THE CORE OF OUR BUSINESS. IN ADDITION TO OPERATING IN PORTS, TERMINALS, AND FACTORY AREAS WE HANDLE TRANSPORTS ALL AROUND THE WORLD.

Photos: KWH Logistics

Port Logistics



We offer stevedoring, forwarding and ship agency services as well as warehousing in sixteen Finnish ports. We customize overall and efficient logistics solutions for our customers.

-  RAUANHEIMO
-  STEVENA
-  BLOMBERG
Stevedoring
-  JALANDER
-  RODÉN SHIPPING

International Transports



We offer global logistics solutions by all modes of transportation (road, sea, air, container, bulk and project transports). In addition, we handle customs clearance, forwarding and warehousing services.

-  BACKMAN-TRUMMER
-  MOONWAY

Industrial Services



We offer overall and customer-focused logistics machinery services as well as equipment rental. We perform smaller as well as large scale tasks with precision and according to the demands of the customer.

-  ADOLF LAHTI
-  BLOMBERG RENT

Cold Storage



KWH Freeze is the largest frozen storage provider in Finland. Close to half of the frozen foodstuffs consumed in Finland pass through our warehouses.

-  KWH FREEZE



KWH LOGISTICS

**CLEVER OVERALL
LOGISTICS SOLUTIONS**

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