Quality Matters

Consistent quality all year round

Through the customer’s eyes

IOI Loders Croklaan
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Colophon

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Quality Matters – in every way

The food industry today is more complex than it has ever been before. Agricultural production methods have become highly intensive, the supply chain extends around the globe and – in our particular sector – there has been significant growth in the handling of vegetable oils.

Loek Favre
COO, IOI Loders Croklaan Europe

Such a situation demands a different, more holistic approach to quality management. At IOI Loders Croklaan, we feel extreme responsibility for our products and, consequently, for controlling our supply chain. Over the years, we’ve acquired a great deal of control over every aspect of that chain – from tree to customer. This helps to ensure that every person involved – whether at our plantations, in our production/processing facilities, or on the road during transport – is aware that the food they’re handling may be eaten by their own families.

In recent years, we’ve further intensified our quality initiatives, introducing global quality coordination, building a global quality system and intensifying contact by means of inter-regional training and intercompany auditing. All of our worldwide production facilities now run food safety management schemes recognized by the Global Food Safety Initiative (GFSI).

But when we say “Quality Matters”, we’re referring to much more than just our supply chain. This magazine has been specially compiled to give you insight – in the words of our own employees, partners and customers – into how our focus on quality extends to all areas of our company. How every single day we work to optimize every aspect of our operations, from our analytical capabilities to our engineering solutions, in order to meet the highest quality and food safety requirements.

Because we care for our customers, people and products, and because we’re dedicated to continuing to meet the world’s needs far into the future, Quality Matters in every way – and always will – at IOI Loders Croklaan.
Implementing a **Global Quality System**

As a global supplier of a widely used food commodity, we know it is difficult to hold a perfect track record in terms of food quality. However, by involving everyone in our complete supply chain in our efforts to reach that goal, we ensure that everyone is aware of the importance of improving quality and guaranteeing food safety without concession – not only within our own operations, but in our upstream supply chain as well. Anton Hutten, IOI Loders Croklaan Global QA/QC Manager provides insight into our Global Quality System (GQS) and other activities dedicated to safeguarding our quality.

IOI Loders Croklaan has plants and facilities around the world, and it is essential that every one of them follows the same standards, and produces ingredients to the same specifications. This is what our Global Quality System is designed to do.

A five-pillared umbrella of quality and food safety assurance

“The system is based on five pillars which are built on our Global Quality Standards, Global Recall & Alert System and Global Third Party Auditing,” he explains. “The first is Risk Management, to help us prevent mistakes in the first place. The second, Raw Materials Monitoring, is designed to catch and eliminate problems early on, while pillar three, Final Product Monitoring, ensures that we provide our customers with only the highest-quality products. Ring Testing enables us to maintain our international standards and ensure our ingredients are consistent – no matter where they’re produced. And the last pillar, Customer Service Opportunity, is about giving customers the best service possible. The GQS has established an umbrella of strict food quality and safety food controls over our complete integrated supply chain.”

Ferry Out
Quality Assurance Manager Europe

“In 2013, IOI Loders Croklaan Europe switched its quality management systems to the Global Food Safety Initiative-approved FSSC 22000 guideline. In terms of continuous improvement, rather than problem-solving via corrective actions, we focus more on preventive actions and checks on the effectiveness of changes that have been implemented. Actions are initiated via various sources, including customer and certification audits, products that are out-of-spec, and internal process audits performed by QA employees. The Business Excellence department is now part of the QA department, and the unit is now completely focused on projects to continuously improve process structures throughout our complete supply chain.”

One size does not fit all. Our different regions have their own specific focus areas when it comes to improving management and business excellence in IOI Loders Croklaan’s Global Quality System.
Business Excellence
But just having such an umbrella in place is not enough. “Quality assurance today, in terms of food safety and defense, is more complex than before,” says Anton. High-level security and food safety systems and certification are a must for all our facilities. This is why Business Excellence – the dedication to continuous improvement – has become a key focus of our Quality Assurance team worldwide. We now look much more closely and intensively – together with people on the work floor – at how we can continuously improve processes and management. Quality improvement tools such as LEAN and 6 Sigma play an important role in maintaining the constant vigilance that makes it possible for customers to order from us with confidence.

Tan Hui Choo
Quality Assurance Manager Asia

IOI Loders Croklaan Asia is also FSSC 22000 certified. This integrates our quality and food safety management systems. We have even more stringent requirements and management systems in place for our Betapol products, which are used as raw material for infant formula, to ensure complete traceability and rapid retrieval at all times. And in August 2013, we initiated a new Improvement Office that is dedicated to building the internal bridges necessary to ensure we are completely in line with the global organizational vision and core values.

Linda McLaren  Quality Assurance Manager US

“In the US, the focal point for the Global Quality System is food safety and the facility structure around the Global Food Safety Initiatives. The Channahon facility participates in the SQF Food Safety System, and a key initiative there at the moment is ‘Right the First Time’ (RFT). Processes and products are to be manufactured to the proper specifications and quality levels our customers expect. The RFT initiative covers all aspects of the facility, including administrative opportunities – such as how an order is taken and what is involved, then correcting or streamlining the process of order taking. The initiative will be eliminating waste in a variety of ways, be it in terms of time, materials, products, rework, processes, information or communication.”
Chong Nyong Poh began his career at the plantation, and over the years has seen how things have evolved. “The quality of life has greatly improved for everyone on the estate – and it is a safe and peaceful life. The advancement of technology plays a role, but also the increasingly environment-friendly operating procedures and the commitment to social responsibility has added value to the plantation workplace.”

**Improving life in many ways**

This commitment covers many different areas. Employees and their families are provided with modestly furnished homes, electricity and clean water. We also establish places of worship for different religions and day care for infants. There is an on-site clinic and sport facilities. And, of course, we do not neglect the key aspect of education for the workers’ children.

“In Peninsular Malaysia, on-site education is provided for children of local workers, and the school also accepts those children from neighboring towns or kampungs,” says Chong. “In Sabah, we provide funds to the NGO Humana to provide basic education for children who are unable to enroll in Malaysian schools. Adults are also given the chance to acquire new skills through, among other things, special IOI training events for local smallholders. Through efforts such as these, the IOI Group works to improve the daily lives and future prospects of our workers and their families.

**Working to live, not living to work**

The IOI Group plantations provide much more than just a salary to local staff and workers. Our company is committed to increasing their overall wellbeing in as many ways as we can. Chong Nyong Poh, Senior Manager of our Sagil Estate in Malaysia, describes how we ensure our plantation employees don’t merely “live to work”, but “work to live” fuller and better lives.

Hairuddin is from Indonesia, and works as an oil palm harvester on Sagil Estate, where his wife is a general worker on the field. Their two teenage daughters live with their grandparents in Indonesia. “I chose IOI estates because they pay well and guarantee adequate work throughout the year. The working environment is friendly and the living standard affordable. I am proud to be able to provide a better life for my father and daughters in Indonesia. Throughout the years of working in IOI, I’ve saved enough to build them a four-room family home, buy eight acres of land as an investment for my retirement, and even purchase gold jewelry as presents for my wife and daughters!”

Ganapahty and Sreemathi

Ganapahty works in Sagil Estate as a truck driver, transporting workers throughout the plantation, and his wife Sreemathi is a general worker on the field. Both were born and brought up on the estate. “The stable earnings we get have made our life more secure. We can save and set money aside for our old age, since living on the estate is not expensive and most of the facilities are provided for free. We have bought a house and a small piece of land nearby, which we have planted with rubber. We’re happy to have some property to leave to our children, and we’ve also been able to visit India twice.”

Ganapahty and Sreemathi

Hairuddin at work while Chong Nyong Poh looks on
Sustainable agronomic practices for maximum yield

As a major global supplier of sustainable palm oil, IOI Loders Croklaan and our parent company IOI Group, are committed to continually finding new and efficient ways to further reduce our ecological footprint. Mr. Sudhakaran, General Manager of Sandakan Region IOI Plantations, gives some examples.

IOI Group uses increasingly intelligent and ecologically friendly techniques for planting, fertilization, pest management and harvesting, as well as advanced recycling and waste-reduction processes in all plantations. These resourceful practices enable us to produce more oil while using fewer resources than our competitors. Efficient usage of land, combined with innovative agronomic methods, also benefits the environment, as we use less fertilizer and pesticide, while reducing our energy usage and lowering CO₂ emissions.

To protect the environment, IOI Group follows a strict zero-burning policy across all plantations, while use of chemical pesticides and herbicides is kept to a minimum.

**Doing things the natural way**

IOI also uses increasingly ecologically friendly methods to deter pests, such as barn owls to help control rats. “Barn owls only eat rats,” says Mr. Sudhakaran. “So we put up barn owl nesting boxes to attract them to our estates, and this method is quite successful.” Great care is taken with the use of fertilizers on the plantations as well. “Our agronomists analyze soil and leaf samples so we don’t need to apply any more fertilizer than is absolutely necessary,” Mr Sudhakaran explains. “We also use very efficient methods to recycle nutrients, such as applying fertilizer on a pile of palm fronds stacked beside each palm. The tree roots easily find this highly fertile area and soak up the moisture and fertilizer.”

To further enrich the soil with natural nutrients, chipped oil palm trunks are left to decompose between young seedlings during replanting and empty fruit bunches are placed around the palms. The trees are thriving in this naturally fertilized environment, and yields have shot up since IOI started using these methods.

IOI’s estates make use of highly detailed maps and GPS systems to efficiently manage operations. Not only do these maps provide vital information to manage the estates, they also assist in identifying the high conservation value areas, where the natural environment is preserved.

**Waste not, want not**

The innovative ways in which everything at the IOI Group estates is recycled and reused – from old palm trunks and fronds, empty fruit bunches and kernel shells to the effluent from the mills – is very impressive. Biomass from the plantations is even turned into energy to run the mills.
Our supply chain encompasses more of the globe than you might think. Aside from sourcing palm oil from Malaysia and Indonesia, we also source from Latin America. There are two key reasons for this. First, during the rainy season in Southeast Asia, the quality of the palm oil is not always as high as we would like it to be. In Latin America, you have both the northern and southern hemisphere that complement each other very well in terms of production and harvest periods, and the quality of the oil there is every bit as good as it is in Malaysia and Indonesia during the dry season.

Partnering for guaranteed quality and delivery
Although IOI Loders Croklaan has no plantations or mills of its own in Latin America, we only work with the most respectable partners there. We keep a close eye on their operations, and actively advise and assist them in operating according to the principles of the Roundtable for Sustainable Palm Oil. We also pay very close attention that shipping partners adhere to FOSFA, Kosher and other leading quality certification standards.

Another reason for sourcing from Latin America is that the shipping distance and transit period is significantly shorter. This not only means that the loss of quality during transport is kept to a minimum, but we can also access the oil faster— which means we can react more quickly and effectively to customer needs, demands and unexpected emergencies. Having access to supply chains in different regions makes it possible to steer and influence the quality of our overall logistics in a positive way. The more supply channels we have, the better we can spread our risks. This guarantees our customers a year-round consistent quality and delivery.”
Buying the **best** Shea kernels

A number of the specialty fats that that IOI Loders Croklaan produces for the confectionery industry are based on Shea butter as well as palm oil. Joost van Ginneken, our Supply Chain Manager Africa, talks about our company’s efforts to create added value in terms of both quality and food safety by ‘moving upstream’.

For more than 50 years, IOI Loders Croklaan has been sourcing its shea from the 300km-wide “Shea belt” in Africa. Shea nuts are a “wild” crop – since the trees only begin to bear fruit after some 15-20 years, they are not cultivated on plantations or farms. When the fruits fall from the trees, they are collected and processed by local women.

IOI Loders Croklaan first began working to create its own end-to-end shea supply chain in the early 2000s. We were the first to start local crushing activities, and a simultaneous step-by-step journey to get closer to the source. “Being closer to the source opened the opportunity to involve the local people in our quality and food safety improvement programs,” Joost explains. “This indirectly improved our processing ability, which also drives improved quality and more competitive prices in the final product to our customers.”

**Getting better control over the supply chain**

Today, we are well organized and prepared: we are active at the source with local contacts and our own teams at offices in Burkina Faso and Ghana – including our own quality control laboratory. “This makes our Shea supply chain transparent and more traceable,” Joost says. “Even samples in transit are analyzed in our lab in Tema, so we know exactly which supplier and quality level is associated with each individual truck.”

Our local team is also involved on a daily basis in the local crushing activities. Our Global QA/QC Manager also audits all local processing plants once a year against the strict European standards that we and our customers always adhere to. A local QA/QC coordinator is involved in the follow up. “Being active at the source is not an easy route,” Joost explains. “It’s quite time-intensive, but it’s worth it. Not only in terms of more quality, confidence and transparency in our supply chain, but working in direct contact with women groups ensures that the collectors who do most of the work also get the benefit of a better income. As a member of the Executive Committee of the Global Shea Alliance, we also actively collaborate in the Sustainability Working Group – dedicated to stimulating quality and sustainability – in order to grow the industry and support the local communities.”
Check, double check, TRIPLE check!

At IOI Loders Croklaan, we also focus on safeguarding raw material and product quality during transport. Our independent partners The Schutter Group and Dr. A. Verwey Laboratories are two parties who help ensure our oil’s quality is carefully checked at ‘critical’ points before and after it’s shipped.

The Schutter Group is a global supply chain surveyor specialist that has been working for IOI Loders Croklaan since 1995. “As an independent party, we act as their eyes and ears when it comes to loading and unloading ships,” says Operational Director Oscar Smit.

Schutter inspects every ship ready to be loaded to ensure it is clean, dry, and odor-free, and that the last transported cargo won’t affect oil quality. They measure the capacity of both the land tank, where oil is stored, and the ship tank, where it will be loaded, to calculate oil volume and check that the ‘before’ and ‘after’ volumes match. Samples are also taken from both the land tank and the ship tank. If all calculations and sample analyses are in order, the tanks are closed and sealed – these may not be broken before the ship has reached its destination.

Analysis forward – and in reverse
“When loaded ships arrive, the procedure is reversed,” explains Oscar. “The oil volume must be the same as at loading. Samples must be analyzed and approved before unloading begins, and again after the oil has been transferred to land tanks. If there’s an abnormality anywhere, you can quickly trace it. Essentially, this is it what ‘double check, triple check’ comes down to.”

The samples that Schutter takes in Rotterdam are couriered to Chemical Laboratories Dr. A. Verwey for analysis. “And this has to happen right away, 24/7,” says Commercial Director Mar Verhoeff, “even on Christmas Day! The analysis we do generally follows standard quality specifications of the international oil and fat trade: free fatty acid and moisture content, checking for contaminants and that the bleachability (DOBI) has not deteriorated.”

Should there be deviations in analysis, various steps may be taken, depending on what the deviation is, but Mar says this is rarely necessary. “Once a ship is loaded and sealed, it is out of your control – it all depends on how responsibly the crew treats the cargo. But Loders Croklaan works with reliable transport partners that follow correct procedures, so you can be sure that 99% of the time, things are completely in order.”
Tailored transport at the source

At all IOI Group palm plantations, local haulage and transport methods are tailored and adapted to have minimum environmental impact while doing as effective and high-quality a job as possible.

The traditional agricultural practices followed at IOI plantations stipulate that planting and harvesting are done by hand, usually with the assistance of buffalos pulling carts. These methods not only cause less soil erosion and reduce fossil fuel consumption; they also offer local workers the chance to earn extra money on top of their salary by using their own buffalos for the purpose.

Extra safety, extra security

However, this haulage and transport method is only suitable for this area of our operations. Tractors and small trucks are employed for other on-site plantation transportation purposes. Large, high-quality, oil-dedicated trucks are used when transporting longer distances over public roads. And anytime that our fresh-fruit bunches (FFBs), palm kernels or processed oil are being transported over public roads – whether to crushing facilities or the tank terminal – numerous safety and security measures are taken.

FFB and palm kernel trucks are completely closed off with sturdy canvas that is locked down with chains and sealed. Trucks for transporting oil are given unique seals as well. These are always checked by security officials before trucks may enter the mill or tank terminal area for unloading. These measures not only help prevent theft, they also have a food defence role – ensuring that the materials cannot be replaced by those of inferior quality, or otherwise tampered with in any way.

Did you know…?

That in 2014, some 70 million tons of vegetable oils and fats were shipped worldwide? At our facilities in Rotterdam harbor, we can receive a maximum of 55,000 tons of oil in just one tanker – enough to fill 2,200 trucks carrying 25 tons each!

Did you know…?

That palm oil is probably the most ‘efficient’ vegetable oil crop in terms of ground use? Of the approximately 254 million hectares of land currently being used to produce vegetable oil worldwide, only around 6% is being used for palm oil – while palm oil makes up a whopping 36% of total vegetable oil production!
A safety “ring” around our labs

Our own in-house testing and laboratory analysis provides our company with a non-stop stream of data that is extremely important in optimizing the quality of our production processes. We also regularly participate in “ring testing” – comparison of results from completely different labs in order to benchmark our analytical expertise and that of our customers.

At IOI Loders Croklaan, hundreds of different products and different samples are measured daily at different spots. “As head of the Analytical Lab in Wormerveer, it’s my responsibility to ensure we’re in control in terms of analytic data and quality assurance,” says René Blok. “Just having data is not enough – it has to be properly collected, processed and distributed. We have solid measures in place to ensure it is.”

Strict protocol, careful tracking
This includes standard daily checks on equipment according to a strict protocol. Samples are logged in and submitted via a central LIMS database system. These arrive at the lab with a unique LIMS ID number and worksheet indicating the analysis that needs to be done. Those involved in product processes can monitor in the system whether samples fall within specifications. Samples are archived, so track can be kept of consistency, trends and long-term system stability.

“IOI Loders Croklaan participates in national and international ring tests – also known as inter-laboratory tests. In these tests, which are held under the authority of a number of organizations, such as ISO and AOCS, your lab and the accuracy of its results are checked against as many as 100 other laboratories worldwide! We always score well. We also organize ring tests together with suppliers and customers to give them more insight into the level of their own labs, or to check how some factory locations perform in comparison to others. Such ring tests clarify analysis results, and are a good example for quality assurance in quality control.”

Maximizing quality for maximum shelf life

Vegetable oils have different flavor characteristics and different flavor development patterns, which are also, over time, influenced by storage conditions. That’s why IOI Loders Croklaan regularly carries out shelf-life tests to monitor product quality to ensure the best quality on supermarket shelves.

Did you know...?

That IOI Loders Croklaan’s analytical laboratories globally process more than 2 million analyses annually to check the complete process and supply chain.

Number of laboratory tests

- Asia
- Europe
- America

- 590,000
- 770,000
- 700,000
Increasing analytical quality – together!

Our motto “Let’s Create Together” applies not only to our customers, but to our technology partners as well. An example is our long-standing collaboration with laboratory products and services specialist Interscience, which has resulted in truly breakthrough new lab systems. René Blok, head of our analytical laboratory in Europe, and Interscience’s Innovation & New Business manager Frank Koudijs discuss some of our pioneering innovations that deliver better analysis at lower cost in less time.

Laboratory analysis is a fundamental aspect of the oils and fats production business, and is something that takes place pretty much around the clock. Obviously, the more that analysis processes can be automated, the better, but this can be very difficult to achieve due to their often complex nature. Over the past decades, IOI Loders Croklaan and Interscience have succeeded in doing so on a number of occasions by pooling their specific areas of expertise and resources.

“The quest for greater efficiency through innovation and collaboration is the driving force that binds our respective teams,” says Frank. “Two projects are, for me, symbolic of our cooperation. The first was the FAME-PAL robot.

A “unique in the world” solution to 3-MCPD analysis
FAME-PAL delivered various great benefits: reduced cost and chemical use, higher-quality analysis and more time for workers on less monotonous activities. “Since then, FAME-PAL has not only been placed at IOI locations around the world,” Frank says. “Today, it’s become the first step towards complete lab automation at many organizations. But our most recent flagship innovation – a fully automated solution for 3-MCPD and Glycidyl ester analysis in oils – goes a step further by adding smart IT to the whole process.”

This new GC-MSMS analysis robot, which is fully operational now, is of particular importance to IOI Loders Croklaan. 3-MCPD and Glycidyl ester is a hot topic in the oil industry,” René Blok explains. “There’s a manual method for determining these parameters in products, but it’s very time-intensive. That’s why, together with Interscience, we’ve been working on a solution that unites auto-sampling, preparation and mass spectrometry. Our company invested in the most suitable automated system and developed the chemical analytic steps, while Interscience developed the necessary critical system software and technical components.

The GC-MSMS system reduces reporting time from two days to just a few hours. It’s unique in the world, and a perfect example of the added quality and value that ‘Let’s Create Together’ promises.”
Quality in **Engineering Processes & Development**

**Top technology**—better for business, and the environment

We aim to make use of the top technology and production methods that are available, not only because it is good for our business operations, but because they are generally better for the environment as well.

For instance, every plant requires a certain amount of heat energy for its processes. At IOI Loders Croklaan, we implement optimized heat recovery systems to capture and reuse that energy. This makes it possible to boost energy efficiency by more than 60%, and we also recycle treated effluent water for reuse in our factories.

Our refineries around the world feature various types of “clean” systems that make it possible to reliably deliver outstanding products at a lower carbon and environmental footprint. Our storage tanks at our Rotterdam Maasvlakte facility, for example, are highly insulated and kept warm with water generated by the heat recovery system of the refinery. No additional energy is required. And when temperatures need to be reduced in our cooling tanks, we use sea water to lower them quickly and effectively.

**Certified quality and compliance**

Measures are in place to protect the surrounding environment as well. The latest technologies have been installed to minimize emissions of gases such as CO₂, while our deodorization process is carried out by dry condensing, which uses less energy and less water than most traditional vacuum systems. The fact that most of our systems are certified to ISO 14001 standards is an extra guarantee of energy efficiency compliance and quality control.

The enzymatic interesterification processes in use at our Rotterdam and Wormerveer sites also reduce CO₂ emission compared to traditional interesterification processes by 75% on electricity and 95% on heating. Since 2011, enzymatic interesterification technology has also been operational at our facilities in Asia for producing specialty fats for our infant formula brand Betapol – the very first fat blend that mimics human milk fat. And a new enzymatic interesterification line is currently under construction in our factory in Channahon US (delivery Q1 2015).

In the meantime, we continue setting new and challenging goals for sustainable operating practices that are 50% higher than required by the government in terms of reduced energy and water use and waste. In 2014, we are building another water purifier in our Wormerveer facilities that will reduce our waste water stream to municipal purifying facilities by 75%.

**Engineering Processing & Design Milestones**

Innovation is in IOI Loders Croklaan’s DNA. Engineering plays an important role in applying new technological innovations in order to continue meeting growing demands in terms of quality and food safety. All major projects within our company are globally coordinated, and with every new investment, the focus is always on finding the “best” solution – not the “most obvious” one.

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<thead>
<tr>
<th>Year</th>
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<tr>
<td>2002</td>
<td>IOI Group acquires Loders Croklaan</td>
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<tr>
<td>2005</td>
<td>Rotterdam, NL: Largest palm oil refinery in Europe</td>
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<tr>
<td>2010</td>
<td>Rotterdam, NL: Supplemental refinery capacity and enzymatic interesterification facilities</td>
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Quality from the ground up

When you can design and develop your own facilities, you can ensure continuous improvement and innovation in response to market needs. Global Engineering Manager Erik Schweitzer provides some details.

It’s Erik’s job to keep close track of new technologies and R&D applications in engineering production areas, and apply these to IOI Loders Croklaan’s purposes – sometimes in collaboration with external technology providers and other partners. “Our major projects are always initiated from the market,” Erik explains. “When enough customers want certain products within certain specifications that require new or extended processing capabilities, we’ll respond. If our conceptual design confirms the business potential, we can proceed in a couple of different ways – either working with specialized partners, or doing the engineering on our own.”

Execute, outsource – or both!
The choice depends on two factors. “If the technology is well known and standardized, and a technology provider can meet our strict quality standards, it makes better use of our engineering resources to have them execute the work under our supervision,” Erik explains. “That’s what we did with the recent Apex bleaching line and refinery expansion in the US. But if it’s crucial, new technology – such as enzymatic interesterification (EIE), we prefer to fully design and engineer the facilities ourselves. Or it can be a mix. For Raffi II – our second facility on the Rotterdam Maasvlakte – a partner provider delivered the refinery, and we took care of the enzyme technology aspect.”

Did you know…?
That when the new water purification and recycling system at our Wormerveer facilities is operational, we will save an addition 100,000 m³ fresh drinking water per year?

Our worldwide locations all benefit from our engineering expertise. “An example is our new lipid enzyme factory in Malaysia, providing products for infant nutrition – a very sensitive market! We implemented our own technology, and fully European-certified quality & food safety systems, with critical control and safety check points. There was also extensive knowledge transfer with long-term engineer exchange and local training programs. This ensures peace of mind for our customers – and for ourselves.”
Let’s Create Together

In 2010, IOI Loders Croklaan opened its first Creative Studio at the European headquarters in Wormerveer, the Netherlands. The second opened in 2011 at the premises in Pasir Gudang (Malaysia), followed by another in 2013 at our facilities in Channahon (US). The studios are a creative meeting place where customers can test new ideas and applications together with our expert technicians. Maarten Goos, Segment Manager Confectionery IOI Loders Croklaan Europe, explains why we are dedicated to directly partnering with customers in this way.

The key reason for establishing the Creative Studio was a conviction that such a facility could significantly accelerate our customers’ product innovation processes. “When you’re dealing with day-to-day business demands and workloads, you don’t always have time to experiment with new ideas,” Maarten explains. “And even if you do, the process of sending samples back and forth can take months. The studio is a place where you can ‘switch off’ from the daily grind and simply focus on creativity, and really accelerate the product development collaboration.”

Responding to consumer and economic challenges

And, as Maarten points out, today’s modern consumers and economic challenges are making product innovation more important than ever. “Consumers expect more frequent product introductions – they want new tastes and variations. Product lifecycles have simply become shorter.” The studio, which includes a conference room, an artisanal preparation area and a processing & application area, is ideal for problem solving as well as new product development – and all tailored to the needs of the marketplace. “The studio in Europe is particularly suitable for working with chocolate confectionery, but is available to all customers with any specific oil- or fat-related application project in mind.”
Wolfgang Gansterer
Product Developer, Josef Manner & Comp AG

Wolfgang Gansterer is a product developer at the well-known Austrian wafers and confectionery producer Josef Manner AG Austria. In 2010, he attended his first workshop in the Creative Studio in Wormerveer – a special session focused on Fresh Summer Fruits applications. Since then, he has participated in others, and shared some thoughts on the value of the workshops to him and his company.

“The name – ‘creative’ – says it all. You have the chance to contemplate new ideas and applications for products in a relaxed and pleasant atmosphere. The workshops have encouraged us at Manner to test and eventually work with a number of different products, and they have definitely contributed to our fats and oils knowledge. I am looking forward to sessions that go even more in-depth into the composition of fats. I would like to get more insight into how they interact with other ingredients in recipes, and how you manage fat systems in different applications.”

Through the customer’s eyes

Lotus Bakeries has been an IOI Loders Croklaan customer since 2006. Over the past years, our collaboration has intensified, and we are now the No. 1 palm oil and palm oil blend supplier for Lotus’ products. We asked Roel de Jong, Corporate Procurement Manager, how he thinks IOI Loders Croklaan is doing in terms of quality, service and reliability of supply.

Captain of category
“We distinguish three levels of suppliers,” says Roel. “New suppliers normally start out as ‘challengers’, because they challenge our ‘preferred suppliers’ in terms of price or quality. Our most preferred suppliers become Captain of Category – which IOI Loders Croklaan now is for our vegetable oils category. Palm oil is one of the most important ingredients in our products, so quality and reliability are crucial for us.”

Automated quality measurement
Lotus Bakeries has an automated supplier quality-measurement system, which makes it easier to compare. We measure product quality, delivery quality and service quality,” Roel explains. “Suppliers can earn 20 points maximum in these areas (10, 5 and 5). In 2012, IOI Loders Croklaan achieved the highest scores in all areas compared to all our other suppliers, and in 2013, the company was also in the Top 10. Your Captain of Category position is clearly well deserved!”

The high ranking that we achieved in 2012 was partly thanks to the maximum score on service, which Roel attributes to the great relationship with the account manager and the introduction of our customer portal. “This automated service program really makes a difference,” says Roel.

Setting room for improvement
Still, there’s always room for improvement. “Generally, suppliers never score higher than 8 on product quality,” says Roel. “We notice they tend to be reactive rather than proactive. IOI Loders Croklaan stands out in that they think along with us very well. We’d love to see some more proactive product quality improvements, for example, in terms of sustainability and traceability.”

That said, we have set firm sustainability goals as part of Lotus Bakeries’ ‘Care for Today, Respect for Tomorrow’ program. “As of May 2014, IOI Loders Croklaan supplies us with 100% RSPO-segregated palm oil. Our aim is to have all palm-related products 100% RSPO-segregated by the end of 2015, which provides us with 100% traceability of our palm oil all the way back to the plantation.”
Quality in Delivery

On time, in full!

Quality in delivery is also guaranteed by the state-of-the-art automated systems in place at our truck loading facilities in Rotterdam. These – along with our own logistic improvements – help ensure that we meet our promises in terms of delivering “on time, in full” at minimum cost.

All drivers arriving at the site receive personalized badges pre-programmed with the necessary access codes and delivery information. Trucks enter their assigned loading bay, where automated systems determine and load the correct type and dosage of oil required in the order. A variety of measures, including automatic locking guardrails and nitrogen blanketing to prevent oil oxidation during transport, are taken to ensure human and food safety. The application of top technology continues to the last moment, ensuring proper processes to confirm correct delivery and generate the required documents.

Since 2013, the speed and efficiency of this system is further increased by the implementation of a flexible, pre-loading concept. Empty tankers are always at the loading ground, ready to be preloaded if the transport company representative and production team agree that the product is ready and there is loading bay capacity. When drivers arrive, they can simply connect and depart. This has drastically reduced waiting time by 85%, and the total time-on-site is down by 30%!

Customer Portal

Quality in Delivery includes giving customers instant, real-time insight into their order status quo, contract balances and account information 24/7. Our online customer portal makes this possible.

Our customer portal went live in mid-2013. It’s designed to give customers easy access to useful information, such as daily market prices, as well as to crucial information about their account. This includes current contract balances, outstanding deliveries, previous deliveries, and all delivery-related documents – including CMRs and Vendor Certificates.

“The system greatly improves the level and quality of customer communication, and reduces the risk of human error,” says Martijn Schneider, Supply Chain Manager Europe. “Designing and setting up the portal was valuable to us as well. It held a mirror to our internal procedures, and showed where we could improve and better align certain processes.”

Letting customers pick and choose

“Customers no longer have to wait to get the answers to whatever questions they may have. They can immediately access the information they need, whenever they want, right down to segment-specific price lists. At the end of 2013, we added a functionality that makes it possible to trace trucks from specific forwarders. The reduced administrative workload gives us more time for higher-value customer contact.”
Ensuring a steady supply of knowledge sharing

It’s a well-established fact that good talent management is imperative to ensure high-quality business performance, reliability and continuity. In collaboration with Partners in Performance International, IOI Loders Croklaan reviewed its talent management process in 2011, and designed a new Global Talent Management Program to help optimize our HR operations.

Our talent management program identifies and addresses key pillars that are crucial to the sustainability of any major multinational, including business-critical knowledge, succession planning and employee retention. Equally important, it provides a common groundwork and approach for talent management planning and execution at all our locations around the globe. In 2013, we finalized realignment of all the performance review processes for all employees in the regions we operate in, to ensure they incorporate the content, competences and company philosophy worldwide.

New insights, new opportunities
Good talent management also includes offering opportunities for targeted knowledge exchange and personal development, and we offer these to employees on three levels. Promising talent can participate in Expatriate Assignments, in which they fill an open position abroad for 2-3 years. We also offer secondment opportunities, particularly in technical, engineering and scientific positions. In these, employees have the chance to gain experiential learning – or to provide expertise themselves – at another location for anywhere from 3-9 months. There are also Development & Best Practice programs, open to new employees or current employees taking on a new role, in which they intensively acquire new knowledge or cross-train elsewhere for a period of 2-3 weeks.

Growing with IOI Loders Croklaan

We do our best to find and attract ambitious and talented individuals who can enhance our company’s strengths. And once we find them, we do our best to offer them opportunities that will contribute to their own personal and professional growth.

Originally, I worked for IOI Edible Oils at one of their Malaysian refineries as a Quality Control Chemist. Between 2008 and 2011, I participated in the very first internal knowledge exchange programs, and was attached to the Quality Assurance/Quality Control department in Wormerveer. There, I had the chance to learn everything about a well-established Quality Assurance system from highly experienced and extremely professional employees.

It taught me so much about product supply chain quality, and the importance and impact of supplying a good, high-quality raw material. I put this knowledge to very good use back in Malaysia in my new position as Quality System Coordinator in the Mills & Engineering Department. What I like most about IOI Loders Croklaan is the company’s well-planned structure, objectives and deadlines for achieving them. Their pragmatism and directness is very nice too!

I began working at IOI Loders Croklaan Europe as Specialty Oils &Fats Business Unit Manager in mid-2007. In my early years, I had the opportunity to manage an international commercial team of more than twenty people, including representative offices in Russia, Poland and Italy. This gave me the chance to learn a great deal in terms of dealing with different cultures as well as team management and change management in general.

In September 2010, I was offered a new challenge as Sales & Marketing Director, and am now filling this position for the Asia Pacific, Middle-East and Africa region. This entailed a move to Malaysia with my family, which is further expanding my horizons. What I like most about IOI Loders Croklaan is that it is not a very hierarchical organization. It means you have a lot of room for taking initiative on your own – that’s something I appreciate very much.
Wherever you are…
IOI Loders Croklaan has offices and manufacturing facilities in North America, South America, Europe, the Middle East, Southeast Asia and China. Wherever you are, our technical experts and sales representatives are ready and able to assist you in optimizing the quality of the fats & oils aspect of your business.