



# Chocolate and Compound Supply

## 2020

# General Company Overview

- Icelandic Holdings Limited (IHL) is a privately owned business located in East Tamaki, Auckland, New Zealand.
- IHL has manufactured chocolate and compound products for the NZ food industry for over 20 years.
- IHL employs 72 staff.
- IHL uses highly automated production lines in modern purpose-built facilities in order to achieve internationally competitive product quality, consistency and pricing.

# Supply and Production

# Manufacturing

- Supply is based out of the IHL manufacturing site at 13 Sir William Ave.
- IHL have the capability to manufacture:
  - Over 10,000 tonnes of real chocolate products annually
  - Over 20,000 tonnes of compounded chocolate products annually
- Chocolate and compound can be provided in many formats including buttons, budlets, chips etc.
- Industrial pack sizes from 10kg to 15MT bulk liquid tanker.

# IHL Support Team

- Key support team as follows:
  - David Frost: Sales Manager
  - Nimma Sherpa: Technical Account and Innovation Manager
  - Isaac Staples: Operations Group Manager
  - Katharina Wulandari: Quality Assurance Technologist
  - Customer Services Team

# Supply Chain Contingency

- IHL have 3 manufacturing sites (all in New Zealand), 2 of which are capable of making chocolate and compound.
- If there is an event that stops us from being able to manufacture at our primary site in Sir William Ave, production can be easily ramped up at another site with additional equipment that is currently in storage.
- All sites are owned by Icelandic Holdings.

# Packaging Alternatives

- In addition to supplying product in 10, 15kg lined carton and 20kg paper-walled bags we are able to offer more innovative options with lower environmental impact including:
  - 500kg bulk bags suitable for continuous melter feeding, supplied on Chep pallet.
  - 1MT disposable paper IBCs with heater pad packed 20MT per container are currently being investigated.
  - 18MT bulk liquid flexi containers are also an option for shipping
- Options above decrease in packaging waste with increasing size. Liquid supply has no packaging waste.

# Environmental Footprint and Strategy

- IHL was the first company in New Zealand to hold RSPO certification. Today, the only Palm products we used are 100% RSPO segregated.
- IHL was granted UTZ membership in 2017 and we were the first NZ manufacturer to be granted this certification for chocolate product. We are able to supply chocolate or compound with UTZ/Rainforest chain of custody certification immediately if required.
- IHL have modern, purpose built facilities with modern insulation and heating/cooling systems that allow us to minimise energy demand. Furthermore we are committed to research and where appropriate, installing energy recovering systems to reduce this further.
- IHL have an extremely small potable water (and subsequent waste-water) requirement given the nature of the product we manufacture. Similarly we require only a minimum of cleaning chemical to maintain plant cleanliness and sanitation.



# Product Development

# Capex Investment

- The Sir William Ave. Manufacturing Plant is a 3 year old, purpose-built facility.
- There has been a heavy focus on automation to ensure we remain commercially competitive and minimise foreign matter and human input.
- The R&D kitchen at Sir William is spacious and contains a significant amount of pilot equipment including panning, enrobing, blast freezing, chocolatier moulds and decorations etc.
- Capex projects successfully closed out over the past 24 months includes:
  - Bulk liquid supply loading
  - Bulk liquid oil reception
  - Ball Mill Manufacturing Technology
- Capex projects to be completed in the next 12 months include:
  - Nut butter manufacturing capability
  - Full bean to bar line
  - High-speed panning
  - Enrobing
  - Short run flavoured compound

# Innovation Support

- IHL have a clear, demonstrated history of innovation
- R&D support goes beyond supplying samples: in-person support has been provided in multiple instances to ensure product is running as desired in application.
- IHL have access to trend data through suppliers and other relationships which can be shared where relevant.

# Product Capability

- Chocolate and compound can be altered in the following manner for supply:
  - Shapes and sizes: chips, chunks, budlets, buttons, tablets, bars, blocks, bulk liquid
  - Tablet products including centres, inclusions
  - Short run flavoured and coloured product
  - Nut Butter product from Late Nov 2018
  - Panned products from H1 2019
  - Veganproduct from Q1 2019
  - Bean to bar single original product from H2 2019
- IHL also have the capability of packing into retail pouches, VFF and other pack types.

# Quality Assurance

# QA-I QA Department

- Nicki Keen QA Manager
  - 14 years with IHL as production manager and QA manager
- Katharina Wulandari QA Technologist
  - 3 years with IHL as QA technologist
  - B.Tech (food tech, hons)
- Nimma Sherpa Technical Manager
  - 13 years with IHL as Technical Manager
  - 20 years in the New Zealand Food Industry
  - M.Sci (food tech, hons), B.Tech (food sci, hons)
- Product viscosity and particle size tested on site. All other tests contracted to external verified laboratories.

# Pre-inspection

- All of the ingredients used by IHL for chocolate and compound manufacture are refined. This means we can rely on our approved supplier programme and incoming COAs for acceptance.
- All incoming ingredients are inspected externally on reception for visible damage.

# Finished Product Testing

- All chocolate and compound products are tested post-refining for particle size and viscosity prior to pump storage. Basic sensory tests are also completed at this stage.
- Product is later formed into final product (e.g. budlet) at which point it is compared against a control standard for appearance and dimensions.
- If at any point the product is out of spec, issue is escalated and the relevant intervention is actioned, for example:
  - If particle size too small product is refined longer.
  - If viscosity too high, extra lecithin is added to a maximum of 0.5%.



# Test Facilities

- On-site IHL have
  - 2 operational, externally calibrated Brookfield Viscometers for viscosity measurement.
  - 2 operational digital micrometers for particle size measurement.
- All other tests are carried out by an approved, verified external lab as required including:
  - Microbiological Analysis
  - Chemical Analysis
  - Allergen Quantification

# Health and Safety

- IHL's Health and Safety procedures are integrated covered in the Customised Food Control Plan and are audited at the same time annually.
- Equipment is highly automated so there is comparatively low labour requirements for manufacture of chocolate and compound products.

# Supplier Evaluation

- For the most part, IHL uses global supplier of high reputation including Cargill, ADM, Barry Callebaut, Fonterra, Wilmar, IFFCO, etc.
- IHL run a simple approved supplier programme based on the key fundamentals below:
  - Supplier must provide full and complete PIF for any new product. PIF is evaluated by the technical team to ensure it is fit for purpose.
  - Supplier must ideally supply GFSI certificate or equivalent (e.g. WSE) otherwise provide clear evidence of compliance with local food safety regulations.
  - CoA must be provided with every delivery including micro where deemed necessary.

# NCR Response

- IHL will endeavour acknowledge NCRs within 48 hours.
- Root cause and preventative action will typically be completed within 2 w.d. where answer is immediately apparent.
- More time will be required where an investigation is needed but we will work with the customer on a timeline if they require a specific deadline.
- In addition to the above technical support is available on-site on a case-by-case basis.

# Available Claims for Icelandic Holdings Chocolate and Compound products

- Currently available:
  - No artificial colours for flavours
  - No preservatives
  - Non GMO
  - Made in New Zealand
  - Only Sustainable Palm oil is used in compound products (RSPO SG certified)
  - UTZ/Rainforest Alliance sustainable cocoa available on request (premium TBA)
  - Halal Certified (NZIDT)
  - West African Cocoa
- Available 2019
  - Vegan Australia certification available from Early 2019
  - Raw/Natural/Unrefined sugar available on request
  - Low Glycaemic Index
  - All products fully Halal certified including MUI
  - Made with more than 50% Australian ingredients available on request
  - Free from milk
  - Free from soy
  - Single origin cocoa source (bean to bar line)
  - Kosher (Q2 2020)
- If there are specific request beyond these we can likely accommodate.