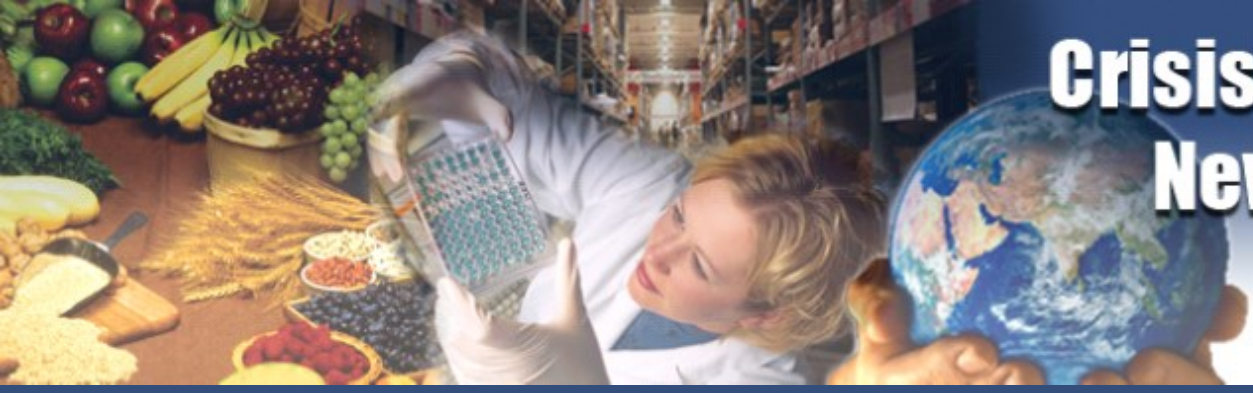


Crisis Control Newsletter

Crisis Control Newsletter from RQA, Inc.—A Catlin Preferred Provider to Foodservice, Food Processing and Consumer Products Industries

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Crisis Management—Be Prepared

Businesses should prepare for the impact of the many hazards they may face in today's world including not only product events such as product recall but also natural hazards like floods, hurricanes, tornadoes, earthquakes and widespread serious illness such as pandemics. Human-caused hazards include accidents, acts of violence by people and acts of terrorism. Examples of technology-related hazards are the failure or malfunction of systems, equipment or software. Each of these types of events impact the day-to-day operations of a business and can cause significant business interruption.

It is important to invest in a preparedness program. The following reasons are provided by the FEMA website:

- Up to 40% of businesses affected by a natural or human-caused disaster never reopen. (Source: Insurance Information Institute)
- Customers expect delivery of products or services on time. If there is a significant delay, customers may go to a competitor.
- Larger businesses are asking their suppliers about preparedness. They want to be sure that their supply chain is not interrupted. Failure to implement a preparedness program risks losing business to competitors who can demonstrate they have a plan.
- While insurance is important, it does not cover all losses and it will not replace customers. Review insurance coverage.
- Many disasters — natural or human-caused — may overwhelm the resources of even the largest public agencies. Or they may not be able to reach every facility in time.
- News travels fast and perceptions often differ from reality. Businesses need to reach out to customers and other stakeholders quickly.
- An Ad Council survey reported that nearly two-thirds (62%) of respondents said they do not have an emergency plan in place for their business.

Investment considerations in a preparedness program depends upon many factors including minimum requirements established by regulations and a determination of a business's risk tolerance. Many risks cannot be insured, so a preparedness program may be the only means of managing those risks. Some risks can be reduced by investing in loss prevention programs, protection systems and equipment. An understanding of the likelihood and severity of risk and the costs to reduce risk is needed to make these important decisions.

A preparedness policy that is consistent with the mission and vision of the business and defines the goals and objectives of the program should be written and disseminated by management. The preparedness program should be reviewed periodically to ensure it meets the current needs of the business. Of utmost importance the plan should define roles and responsibilities that outline how to:

- Protect the safety of employees, visitors, contractors and others at risk from hazards at the facility with special consideration for persons with disabilities and functional needs.
- Maintain customer service by minimizing interruptions or disruptions of business operations
- Protect facilities, physical assets and electronic information
- Prevent environmental contamination
- Protect the organization's brand, image and reputation

To minimize damage, plan for the worst before a crisis strikes.

Developing a Preparedness Program

The preparedness program is built on a foundation of management leadership, commitment and financial support. Without management commitment and financial support, it will be difficult to build the program, maintain resources and keep the program up-to-date.

The five steps in developing a preparedness program are:

Program Management

- Organize, develop and administer your preparedness program
- Identify regulations that establish minimum requirements for your program

Planning

- Gather information about hazards and assess risks
- Conduct a business impact analysis (BIA)
- Examine ways to prevent hazards and reduce risks

Implementation

Write a preparedness plan addressing:

- Resource management
- Emergency response
- Crisis communications
- Business continuity
- Information technology
- Employee assistance
- Incident management
- Training

Testing and Exercises

- Test and evaluate your plan
- Define different types of exercises
- Learn how to conduct exercises
- Use exercise results to evaluate the effectiveness of the plan

Program Improvement

- Identify when the preparedness program needs to be reviewed
- Discover methods to evaluate the preparedness program
- Utilize the review to make necessary changes and plan improvements

Sources: ready.gov, FEMA, Canadian Centre for Emergency Preparedness

Food and Drug Administration Recalls (www.fda.gov)

Product: Yogurt
Incident: Possible Health Risk–Illness

A Twin Falls, ID company has ceased the distribution of their Greek yogurt products due to reports of products bloating and swelling and some claims of illness. The company continues its investigation to identify the root cause of this problem. The potentially affected products were distributed nationwide from its Twin Falls, Idaho facility and were delivered to consumers through retail and club stores. Consumers who have purchased the product should discard the product and should contact the company's Customer Loyalty Team. The Team is diligently working to coordinate replacements or refunds. The firm has apologized to its consumers impacted by this issue and assured the public that the quality of their products and the trust of its consumers are the company's primary concern.

Product: Gelato
Incident: Possible Health Risk– Undeclared Allergen

A Minneapolis, MD firm is voluntarily recalling a pint sized flavor of their gelato after it was discovered by the firm that the product may contain undeclared almonds. For consumers who are not allergic to almonds, there is no safety issue with the product. The company has received no reports of illnesses associated with this product. People who are allergic to almonds could have a serious or life-threatening reaction if they consume this product. None of the firm's other branded products are affected by this voluntary recall. Consumers in possession of the recalled product that have an allergy to almonds should not consume it and should discard it. Consumers with questions should contact the company directly.

United States Department of Agriculture Recalls (www.usda.gov)

Product: Calzone Products
Incident: Possible Health Risk–Undeclared Allergen

A San Leandro, CA establishment is recalling approximately 1,650 pounds of fresh or frozen calzone products because of misbranding and an undeclared allergen. The products are formulated with an egg wash glaze that contains egg, a known allergen, which is not declared on the label. The products subject to recall include 10-ounce packages, in 7.5 pound cases of two calzone products. The products were produced between July 16 and Sept. 4, 2013 and shipped to distributors, retail locations and possibly restaurants in the San Francisco Bay area. The problem was discovered during a food safety assessment at the establishment. The problem occurred because the wrong computer was connected to the label printer during the firm's recent relocation. Consumers and media with questions should contact the company directly.

Product: Beef Products
Incident: Possible Health Risk–*E. Coli O157:H7*

A Dodge City, KS establishment, is recalling approximately 690 pounds of beef tongue root filet products that may be contaminated with *E. coli* O157:H7. The products were produced on August 19, 2013, and were shipped to a distributor in Amarillo, Texas for further processing. The problem was discovered through routine FSIS monitoring which confirmed a positive result for *E. coli* O157:H7. An investigation determined that the firm was the sole supplier of the source materials used to produce the positive product. FSIS and the company have received no reports of illnesses associated with consumption of these products. Individuals concerned about an illness should contact a healthcare provider. Consumers with questions should contact the company directly or visit the company's website for more information.

Consumer Product Safety Commission Recalls (www.cpsc.gov)

Product: Dehumidifiers
Incident: Possible Risk-Fire & Burn Hazards

A Chinese manufacturer is recalling approximately 2.2 million dehumidifiers (52,500 units in Canada) due to serious fire and burn hazards. The recall involves twelve brands of 20-70 pint dehumidifiers sold in white, beige, gray or black plastic and measure between 19 and 24 inches tall, 13 and 15 inches wide, and 9 and 11 inches deep. The dehumidifiers were sold at stores nationwide, in Canada and online from January 2005 through August 2013. The dehumidifiers can overheat, smoke and catch fire, posing fire and burn hazards to consumers. There have been 165 incident reports received, including 46 fires and $2.15 million in property damage. No injuries have been reported. Consumers should immediately turn off and unplug the dehumidifiers and contact the firm to receive a full refund.

Product: Children's Books
Incident: Possible Risk-Choking & Laceration Hazards

A New York, NY importer is recalling approximately 70,000 children's books sold at retailers and online from June 2013 to August 2013. The board-shaped children's books have cut out covers that serve as a handle and include an embedded bar in the handle with beads for children to play with. The two titles have five colored wooden beads on the metal rod. The metal rod holding the small beads on the cover of the books can detach and release small parts that present a choking hazard. A detached metal bar can expose a sharp edge posing a laceration hazard. So far, no incidents or injuries have been reported. Consumers should immediately take the recalled books away from children and return them to the place of purchase for a full refund. Consumers with questions should contact the company directly or visit the company's website for more information.

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