

closely with federal regulators to create expedited avenues for companies having high internal standards and a solid track record in terms of compliance. Regarding policy specifics, we expect product recall, traceability, importer registration, creation of an accredited FDA third-party audit and laboratory program, increased inspection including overseas FDA offices, and import fees to be covered among other issues. We also envision an environment of greater transparency, which aims to promote both trust and to ensure timely delivery of supply. As stated, Mazzetta Company believes firmly in high industry standards and the necessary federal safeguards to allow consumers to be confident that their food supply is among the safest in the world.

#### ❖ **U.S. Climate Policy**

Climate change is a debate that has been raging for more than a decade and is now beginning to find its way into federal legislation and international agreements. The most recent U.S. legislative proposals involve various cap-and-trade systems and are premised on placing a value on carbon emissions such that carbon credits can be bought or sold in the marketplace. There is no question that the passage of a cap-and-trade model would have a major impact on U.S. businesses. In our view, there is great potential in a model that taps into the market and fosters innovation and competition. It is unclear to us at this point if any of the most recent legislative proposals making their way through the U.S. Congress represent the best approach to create opportunities for U.S. consumers and businesses to reduce emissions. It is also impossible in our view to look at climate change policy without discussing U.S. energy policy and the necessary transition to energy sources beyond fossil fuels. Although we have not yet taken formal positions on various legislative proposals, we continue to monitor closely U.S. climate change policy and resulting legislation in addition to continually considering internal decisions that may result in Mazzetta Company reducing its carbon footprint.

### ***Food Safety and Social Overview***

Mazzetta Company has throughout its history strived to maintain the highest level of ethical, business, and social standards. We have extremely high internal standards and know that it's part of our job to continually seek to improve what we do to meet our customers growing needs and expectations. We believe that being responsible in every aspect of our business decision-making not only helps us to produce the highest quality products, but also demonstrates to our customers our shared commitment to the products they bring to their family's dinner table. In this section of the Report we'll look at our audit process; discuss how we've applied



lessons learned, and our goals moving forward to improve our product, local communities, and the environment.

### ❖ **Audit Process**

Mazzetta Company's quality assurance is comprised of three main pillars; third-party food safety audits, internal food safety audits, and third-party social audits. Mazzetta Company participates in the USDC Voluntary Seafood Inspection Program and also conforms to the USFDA HACCP food safety guidelines; however, it is our on-the-ground presence and our extremely high standards, driven in large part by our layered audit processes that separate Mazzetta Company from its competitors.

Mazzetta Company employs full-time food scientists with advanced degrees and extensive experience that perform all of our internal audits. Our commitment to food safety and quality assurance requires an extremely high level of skill and we are very proud of the quality people we have secured to take on the important challenges inherent in this facet of our operations.

A typical Mazzetta (internal) food safety audit would be conducted in line with federal requirements, general seafood industry standards, as well as Mazzetta-specific requirements. Many of the farms and facilities Mazzetta works with are regarded among the most modern and professionally managed seafood companies in the world. They routinely have incorporated many state-of-the-art production procedures, comprehensive training and employee medical screening programs, and sophisticated recall and traceability monitoring procedures. In addition, their record keeping systems, HACCP, SSOPs, and approved vendor control programs are excellent and their laboratory analytical capabilities and sanitation methods exceed industry standards.

For reference, a Mazzetta food safety audit is an extremely comprehensive process. It may result in a mere twenty or so page document, accompanied by a large volume of photos; however it covers in great detail every aspect of production. Beginning with the administration, the condition of the facility, employee health and training protocols, through the full production cycle of raw materials leading to finished products, cleaning and sanitation, construction and repair of equipment, transportation, storage, and of course food safety and security, traceability and hazard analysis. There is no question our internal standards at Mazzetta exceed those required by the



Mazzetta Company's Jeff Goldberg visiting with Vietnamese suppliers.

