



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

Ferrara Candy Company ("FCC") has developed this Global Supplier Code of Business Conduct ("Code") to reflect our commitment to conduct our business activities in full compliance with applicable laws and regulations; and to be guided by integrity and honesty in all of our business dealings. The Code is to help FCC maintain this commitment by setting standards to which FCC expects its suppliers, their employees, agents, subcontractors, and other representatives (collectively referred to as "Suppliers"), to respect and adhere to when conducting their business dealings. It is the Supplier's responsibility to educate its employees, agents, subcontractors, and other representatives accordingly.

The Code is applicable to Suppliers of FCC and shall apply to all Purchase Orders submitted by FCC. The Code contains the minimum standards applicable to FCC Suppliers. However, Suppliers may have individual contracts with FCC that contain specific provisions and/or agreements relating to these standards. The Code is not meant to supersede such provisions and/or agreements and, to the extent there is any inconsistency between the Code and such provisions and/or agreements, the provisions and/or agreements in the separate contract shall control.

Supplier is responsible for material compliance with all applicable state, national, and international laws, rules and regulations relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights (including, without limitation, human trafficking and slavery and conflict mineral sourcing), environmental protection, sustainable development, bribery and corruption, including any legislation or regulation implementing the Code (the "Rules"). In this regard, FCC has adopted and implemented appropriate and effective policies to assist in overseeing Supplier's compliance with these Rules, including:

- (a) due diligence and data collection procedures reasonably designed to monitor Supplier's compliance;
- (b) internal review and accountability structures to oversee Supplier's compliance;
- (c) coordination of ongoing training and instruction for FCC employees regarding Supplier's compliance; and
- (d) the requirement that Suppliers certify their compliance regularly by way of Supplier audits, either directly or through a third-party vendor.

### **SECTION I – BUSINESS PRACTICES**

FCC requires that Suppliers observe all applicable laws and regulations; the highest standards of business and personal ethics; and act with integrity in an open and honest manner, including:

A. **Anti-Bribery:** Suppliers of FCC must comply with the U.S. Foreign Corrupt Practices Act and any other applicable laws dealing with bribery of government officials and are not permitted to



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

engage in any corrupt practices, including bribery, kickback, corruption, extortion or embezzlement. A copy of the Act is posted on:

<http://www.justice.gov/criminal/fraud/fcpa/statutes/regulations.html>

A corrupt practice may include, but is not restricted to, a Supplier or third party acting on behalf of the Supplier providing anything of value, directly or indirectly, to any government official, employee of a government-controlled company, or political party to influence a decision in favor of the Supplier or a customer of Supplier, or to obtain any other improper benefit or advantage.

**B. Trade Restrictions:** Suppliers are not required to forego trade with FCC's competitors in order to qualify for FCC purchases. Suppliers are free to sell products in competition with FCC. No Supplier will be asked to buy FCC's products in order to qualify or continue as a Supplier.

**C. Conflict of Interest:** Suppliers should must promptly report to FCC any relationship with an FCC employee that may conflict with, or appear to conflict with, that employee acting in the best interests of FCC. While it is impossible to list every circumstance giving rise to possible conflicts, the following provides limited examples of potential conflicts of interest:

1. Interest in a Supplier: Ownership by an FCC employee or by anyone in a family relationship with such FCC employee (spouse, parent, sibling, grandparent, child, grandchild, mother-or father-in-law, or same or opposite sex domestic partner) of any financial interest in a Supplier with which FCC does business or is seeking to do business.
2. Personal relationships with a Supplier: Any relationship by the FCC employee or by anyone in a family relationship with such FCC employee with a director, officer, employee, agent, consultant, etc. of Supplier.
3. Inducement: Any attempt by an FCC employee or by anyone in a family relationship with such FCC employee to induce any purchaser, Supplier, government official, labor union representative, or others to compromise their employment or public duties by the making of any gift, payment, loan or grant of unreasonable favors.

**D. Gifts, Entertainment, and Corporate Hospitality:** FCC employees cannot accept any gift, no matter what the value, from a current Supplier or a company seeking to do business with FCC unless under the approval of the Legal department or relevant business segment. Any meals must be reasonable and appropriate in value. We believe that sound business decisions are made on the basis of value, cost, quality, and service. Such decisions are best achieved when transactions between FCC and its Suppliers and customers take place in an atmosphere of impartiality, free of personal considerations. Our policy on gifts is designed to preserve and maintain FCC's reputation as a global enterprise, which acts with integrity and bases decisions only on legitimate business considerations. Accordingly, gifts of any value, including gifts of



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

services, should be actively discouraged. Gifts, favors or entertainment are not needed to conduct business with FCC.

E. **Communication:** Suppliers may not utilize FCC's name, trademarks, logos, graphics or images unless expressly permitted in writing by FCC.

F. **Confidential Information:** Suppliers who have been given access to confidential information of FCC as part of the business relationship should not share this information with anyone else unless authorized to do so by FCC. If a Supplier believes it has given access to FCC's confidential information in error, the Supplier should immediately notify its contact at FCC and refrain from further distribution of such information. Suppliers will be asked to sign a Confidentiality and Non-Disclosure Agreement.

G. **Sustainability and Environment:** Suppliers must comply with all applicable environmental laws and regulations. Suppliers are responsible for managing, measuring, and minimizing the environmental aspects of their facilities. Specific focus areas include air emissions, waste reduction, recovery and management, water use and discharge, and carbon emissions. Suppliers will work with FCC to ensure that raw materials sourced on behalf of FCC are grown, processed and shipped in a sustainable manner.

H. **Product Quality and Safety:** All products and services delivered by a Supplier must meet the necessary specifications and criteria outlined by FCC Food Safety & Quality departments, including, but not limited to, the Food Safety Modernization Act (see <https://www.gpo.gov/fdsys/pkg/PLAW-111publ353/pdf/PLAW-111publ353.pdf>) and Foreign Supplier Verification Program (see <http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm247548.htm#SEC301>) .

I. **Unfair Trade Practices:** Supplier does not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of fair competition laws or antitrust laws that govern the jurisdictions in which it conducts business.

### SECTION II – EMPLOYMENT-RELATED PRACTICES

We expect our Suppliers to conduct their activities in a manner that respects human rights as set out in the United Nations Universal Declaration of Human Rights. In addition, Suppliers will comply with the following labor practices:

A. **Applicable Local Labor Laws:** All business activities of Suppliers must comply with all national and local legal requirements along with published industry standards pertaining to employment and manufacturing in the applicable country.

B. **Freedom of Association:** Suppliers shall respect the rights of workers to associate or not to associate with any group, as permitted by and in accordance with all applicable laws and regulations.



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

**C. Forced/Migrant Labor:** Suppliers must not use prison labor; forced labor; labor under any form of indentured servitude; physical punishment; confinement; threats of violence; or any other forms of abuse. Suppliers will ensure that their employees and workers are not subjected to psychological, verbal, sexual or physical harassment or any other form of abuse and will comply with all applicable laws on harassment and abuse of workers. Suppliers shall not retain workers' government-issued identification, passports or work permits as a condition of employment. The use of slavery or human trafficking (including debt bondage) by Suppliers is forbidden.

**D. Child Labor Practices:** Suppliers shall ensure that no underage labor has been used in the production or distribution of their goods or services. A child is any person under the minimum employment age according to the laws of the facility's country, or, in the absence of law, under the minimum age for completing required education. Suppliers shall not employ anyone younger than 14, regardless of the country's minimum working age. Suppliers must otherwise adhere to any reasonable requirements of FCC in this regard, including the conventions and recommendations of the International Labor Organization (ILO).

**E. Working Hours:** Employees shall be allowed at least one day off every seven days, and any overtime worked shall be voluntary. If local law allows, employees may voluntarily work overtime on rest days, provided that they are allowed at least one day off within the next seven days. Continuous working days are never to exceed 21 days without a rest day. Suppliers must ensure that all workers working in locations that produce items supplied to FCC do so in compliance with all applicable laws and with published industry standards pertaining to the number of hours and days worked and overtime.

**F. Compensation:** Suppliers' workers must be fairly compensated and provided with wages and benefits that comply with applicable laws. This includes paying of overtime, premium pay and equal pay for equal work without discrimination where applicable. There shall be no disciplinary deductions from pay.

**G. Non-Discrimination:** Suppliers shall not discriminate in hiring or applying employment practices on the grounds of race, color, religion, sex, age, sexual orientation, physical ability, national origin, or any other prohibited basis or personal characteristic unrelated to job performance, and will comply with all applicable employment discrimination laws.

**H. Health and Safety:** Suppliers must provide their workers with safe and healthy working conditions and, where living facilities are provided, safe and healthy living conditions. This includes, at a minimum, potable drinking water, adequate and clean restrooms, adequate ventilation, fire exits, essential safety equipment, emergency first aid kit, access to emergency medical care, and appropriately lit work stations. Suppliers shall ensure that all workers receive communications and training on emergency planning and safe work practices. In addition, Suppliers shall have systems to prevent, detect, and respond to potential risks to the safety, health, and security of all employees. Suppliers' facilities must be constructed and maintained in accordance with the standards set by applicable national and local laws, codes and ordinances.



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

**I. Management Systems:** Suppliers shall establish an effective management system which clearly defines and documents policy and procedures to ensure compliance with applicable laws and Code requirements. Suppliers should have a method to measure the effectiveness of such management system and a way to assess their suppliers' and subcontractors' compliance.

### SECTION III – REPORTING POTENTIAL MISCONDUCT

Suppliers who believe that an FCC employee, or anyone acting on behalf of FCC, has engaged in illegal or otherwise improper conduct or has committed a potential violation of the Code should report the matter to FCC. Suppliers should also report any potential violation of the Code by Supplier. A Supplier's relationship with FCC will not be affected by any honest report of potential misconduct by an FCC employee.

Reports may be made at [supplier.quality@ferrarausa.com](mailto:supplier.quality@ferrarausa.com)

Username: Ferrara /Password: Candy

Phone Number 1-877-778-5463 [A trained operator will guide you through a series of questions anonymously.]

### SECTION IV – AUDITS

#### Global Food Safety Initiative Audit

FCC announced its decision to only accept Global Food Safety Initiative (GFSI) audits for FCC's ingredient, packaging, and semi/finished food/candy Suppliers. The GFSI audits shall be conducted at Supplier's expense.

FCC will only accept one of the following four GFSI bench-marked schemes. The table below includes the acceptable versions, score and schemes acceptable to FCC.

<b>Ingredient &amp; Semi / Finished Good Candy Suppliers</b>		
<b>Ferrara's acceptable schemes of GFSI</b>	<b>Version (as of January 2016)</b>	<b>Score/Grade</b>
1. BRC Global Standard	Current Issue	Minimum Rating of B
2. FSSC 22000	Current Version	
3. IFS	Current Version	
4. SQF 7th edition	Current Level	
<b>Packaging Suppliers Ferrara's acceptable schemes of GFSI</b>		
<b>Ferrara's acceptable schemes of GFSI</b>	<b>Version (as of January 2016)</b>	<b>Score/Grade</b>
1. BRC Global Standard	Current Issue	Minimum Rating of B
2. FSSC 22000	Current Issue	
3. IFS PACsecure	Current Version 1	
4. SQF 7th edition	Level 2 Non-food contact or 3 food contact	



## Ferrara Candy Company - Global Supplier Code of Business Conduct

---

### Corporate Social Responsibility Audit

FCC believes that it is our obligation to operate in an ethical manner and to ensure that its Suppliers comply with the Code. FCC will be assessing your organization's compliance by requiring your organization to complete a social responsibility self-assessment. Based on risk, FCC may also require a third-party Corporate Social Responsibility audit, which shall be conducted at FCC's expense. FCC has partnered with Intertek Group PLC to perform the Corporate Social Responsibility audits for our supply chain. Intertek may conduct announced, semi-announced and unannounced audits. In an announced audit, your organization will be contacted by the auditing body and a date for the audit will be selected. In a semi-announced audit your organization will be contacted by the auditing body and a period of time that the audit could take place will be acknowledged. In an unannounced audit your organization will not receive prior notice of the audit.

If Intertek audits your facility and you do not achieve a score of 85 in your Corporate Social Responsibility audit, we will expect corrective actions to the findings. A re-audit will take place within six months at Supplier's expense. If Supplier is unsuccessful at achieving a score of 85, the Supplier will be at risk of losing their approved supplier status.

FCC reserves the right to verify the Suppliers compliance with the Code. If FCC becomes aware of any actions or conditions that are not in compliance with the Code, FCC reserves the right to demand corrective measures. FCC reserves the right to terminate an agreement with any Supplier who does not comply with the Code.

Updates of the Code will be posted on: <http://www.ferrarausa.com>

It is the Supplier's responsibility to regularly check the FCC website for updates to the Code.