



DISCLOSURE UNDER THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Under the California Transparency in Supply Chains Act of 2010 (California Civil Code §1714.43), large manufacturers and retailers that do business in the State of California are required to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains. This disclosure is being made to comply with California law and to inform our consumers of what we are doing to eliminate slavery, human trafficking and other forms of poor labor practices in our supply chain.

FCC POLICIES ON SLAVERY/FORCED LABOR, CHILD LABOR, AND HUMAN TRAFFICKING

Ferrara Candy Company (hereinafter "FCC") does not allow or condone slavery/forced labor, child labor, and human trafficking by our suppliers (collectively, "forced labor and child labor"). Our efforts to eradicate forced and child labor from our supply chain include following the FCC Responsible Sourcing Management Program, as implemented in 2016 (the "Program"). The Program established the following guidelines:

1. **Verification**: FCC has established and promulgated a Supplier Code of Conduct which suppliers must sign. The Supplier Code of Conduct sets the minimum standards which FCC suppliers must follow pertaining to forced labor and trafficking, child labor, discrimination, freedom of association, harassment, wages and hours, health and safety, management systems and protecting the environment. In verifying compliance with the Supplier Code of Conduct, FCC utilizes a third party that uses country and product risk data provided by a third party monitoring firm to rank and assess the social and environmental risks associated with what we buy and where we buy it.
2. **Auditing**: To determine whether an independent audit is warranted, FCC considers the verification performed by the third party monitoring firm. For suppliers selected for an audit, FCC will utilize an independent auditor to evaluate working conditions. These trained auditors will use their experience and knowledge of local laws and best practices to assess whether the FCC Supplier Code of Conduct is effectively implemented.
3. **Certification**: FCC requires its direct suppliers to certify that materials incorporated into their products comply with laws regarding forced labor and child labor in the country or countries which they do business. We do so by including provisions in our purchase agreements and purchase order terms and conditions. These provisions require that our direct suppliers comply with all international standards and applicable laws and regulations, including those relating to forced labor and child labor. If FCC becomes aware of any actions, circumstances or conditions not in compliance with the Supplier Code of Conduct, FCC and the third party monitoring firm will work with the supplier to find corrective solutions. FCC reserves the right to terminate an agreement with a supplier or any other commercial relationship due to material issues or failure to improve.
4. **Internal Accountability**: FCC seeks to only work with suppliers who are committed to the Program and can consistently meet our standards. The Program takes a risk based scoring approach which allows data mining and benchmark capabilities of audit results, and efficiently tracks improvement over time. Understanding trends in our supply chain allows FCC to focus more on resolution and capacity building,



as well as engagement with key performing suppliers towards a partnership approach. In addition, FCC employees who do not meet the standards of the Program are subject to disciplinary action.

5. Training: FCC has initiated for its corporate staff a third party training program which focuses on the execution of the Program. This training program covers awareness building of various components of corporate social responsibility and includes a dedicated module on slavery and human trafficking.

For questions regarding the Program, please contact Eric Zagorski at eric.zagorski@ferrarausa.com or the Procurement Capabilities team at ProcurementCapabilities@ferrarausa.com