



Supplier Quality Expectations Manual

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This document supersedes the following legacy documents

1. Ferrara Candy Company Supplier and Co-manufacturer Expectations Manual
2. Farley's and Sather's Supplier Approval Process

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Supplier Quality Expectations

Ferrara Candy is committed to sharing goodness in every bite. We achieve this goal through the development, implementation, and maintenance of policies and procedures that are in accordance with the Food and Drug Administration’s Food Safety Modernization Act (FSMA) and the food safety and quality guidance of the Global Food Safety Initiative (GFSI) standards. FSMA requires significant changes on the part of organizations in the food industry. Ferrara requires our suppliers to comply with our FSMA compliance date of September 17, 2016.

Ferrara Candy views suppliers of raw materials, distributors and brokers, as well as co-manufacturers of finished products and other quality partners as an extension of our company. All new and existing suppliers must register with the electronic document management system Ferrara is utilizing at the time of qualification. We respect our supply chain network and strive for the development of a relationship with our suppliers that will continually improve the product quality and safety that our customers and consumers demand. Ferrara Candy Company suppliers will be working directly with the Global Supplier Quality team and Procurement department to ensure that we deliver the best product to the customer.

The expectations set forth in this document are a minimum set of quality and food safety programs that should serve as a foundation for supplier quality and regulatory systems. We expect our suppliers to embrace the programs and implement a culture that continually pursues improvements in food safety and quality.

All suppliers must meet Ferrara’s Food Safety and Quality requirements that includes but is not limited to:

Table 1

Ferrara Expectation	Qualification
Global Food Safety Initiative Audit	GFSI Audit Certification (See table on page 5)
Corporate Social Responsibility Audit	Signed Code of Conduct
Signed Non-Disclosure Agreement	Signed Terms of Service (Domestic or International)

I. Documentation and Software Systems

- A.** Ferrara will utilize an electronic document management system that all suppliers are required to subscribe to for the purposes of collecting regulatory and quality documentation. The supplier is expected to upload and update the documentation annually, upon expiration or in the event of any changes in the document.
- B.** Approval of materials is on a facility basis, each supplier facility (manufacturing site and distribution center) that will supply to Ferrara must be individually approved. Suppliers will receive an approval status communication from Ferrara once the assessment process has been completed.

As of the date of this document Ferrara is currently utilizing ICIX software for the electronic management of documentation.



The following documents are referred to as “Corporate documents”, and will be collected for supplier approval:

Table 2

Name of Document	Read only	Form	Signature
1. Corporate Information Questionnaire		x	
2. Tax Information (Form 1099/W-8/W-9)			x
3. Certificate of General Liability Insurance		Upload	
4. Continuing Letter of Product Guarantee		Upload	
5. Ferrara Non-Disclosure Agreement			x
6. California Transparency in Supply Chains Act of 2010 Statement		Upload	
7. Supplier Expectations Manual – It is the suppliers responsibility to review this document and revisions to this document at www.ferrarausa.com/suppliers	x		
8. Ferrara Code of Conduct	x		
9a. Master Supply Agreement >5,000,000			x
9b. Domestic and International Terms and Conditions <5,000,000	x		
10. Online FSQA Risk Assessment		x	

The following documents are required only if applicable to your organization

Table 3

10. Corporate Social Responsibility Report (if available)		Upload	
11. Business Contingency Plan (if available)		Upload	
12. Women/Minority Business Enterprise Certificate (if applicable)		Upload	

The following documents are referred to as “Plant documents”, and will be collected for each manufacturing or distribution location that for supplier approval at the facility level:

1. Plant Information Questionnaire
2. GFSI Audit Certificate
3. GFSI Audit Corrective Action Plans
4. Foreign Material Control Statement
5. FDA Bioterrorism Statement
6. FSMA Preparedness Questionnaire



II. Quality and Safety

Quality Analysis

Suppliers must agree to Ferrara's Ingredient Specification Document for raw material ingredients. All product specifications must include acceptable microbiological and heavy metal ranges. Additionally, toxin and pesticide residue analysis are required on each lot of ingredients that require an allergen declaration. If you do not analyze the microbiological content you must provide scientific evidence that states why your material is exempt from microbiological analysis. High risk ingredients including Chocolate, Dairy and Nuts require more frequent microbiological analysis, up to and including each lot. High risk ingredients also require a larger test sample quantity of 750 grams per batch/lot. A minimum of three units, representing the beginning, middle, and end, of a production lot should be tested.

Certificates of Analysis (COA)

A COA must accompany and be emailed to certificateofanalysis@ferrarausa.com for every product delivery to Ferrara.

The following fields are required on all COAs:

1. Date of document
2. Product Description
3. Manufacture and Expiration date of product
4. Ferrara Material Number
5. Supplier Internal Material Number
6. Attributes of product (i.e. Color, pH, other scientific attributes) in compliance with Specifications of the product agreed upon by the companies
7. Microbiological results
8. Lot/Batch number
9. Manufacturing facility address of the material in lot/batch being shipped to Ferrara
10. Contact information (e-mail/phone number) for questions on COA

Bill of Lading

1. Reference to the lot number must be included on the Bill of Lading

Annual Testing

Ferrara requires an annual COA that must include all parameters of the typical COA. Additionally, the document should include heavy metal analysis results for a material within the last twelve months. We will collect the annual COA in our electronic document management system by February 15th.

Certificate of Conformance (COC)

Ferrara Candy will accept a COC for some materials. The COC is only acceptable for items that, due to their manufacturing process, a COA would not be feasible. Suppliers may only submit a COC to Ferrara with an annual written agreement signed by both parties.

COCs must accompany each product delivery to Ferrara and emailed to certificateofanalysis@ferrarausa.com.



Supply-chain controls

All suppliers that provide materials to Ferrara with an identified hazard that requires a supply-chain preventive control in your Food safety plan must provide a statement to Ferrara declaring in writing if the hazard was controlled or if the hazard was not controlled. The declaration of a supply-chain preventive control must be submitted in email by January 1 to the Global supplier quality email supplier.quality@ferrarausa.com .

III. Third party audits

Third party audits

Ferrara Candy will use the Global Food Safety Initiative (GFSI) as the primary monitoring of quality and food safety for all suppliers, including suppliers that are not governed by FSMA.

Table 4

Raw Ingredient & Semi / Finished Good Candy Suppliers		
Ferrara’s acceptable schemes of GFSI	Version (as of January 2016)	Score/Grade
BRC Global Standard	Current Issue	Minimum Rating of B
FSSC 22000	Current Version	PASS
IFS Food Standard	Current Version	Minimum Rating of B
SQF 7 th edition	Current Level	Minimum score of 85
Packaging Suppliers Ferrara’s acceptable schemes of GFSI		
Ferrara’s acceptable schemes of GFSI	Version (as of January 2016)	Score/Grade
BRC Global Standard	Current Issue	Minimum Rating of B
FSSC 22000	Current Issue	PASS
IFS PACsecure	Current Version	Minimum Rating of B
SQF 7 th edition	Level 2 Non-food contact or 3 food contact	Minimum score of 85

Corrective Actions (CAPA)

CAPAs are an essential part of a good Quality Management and Food Safety Program. Policies and procedures shall exist defining the methods for documenting, investigating, analyzing, and resolution to non-conformances found against standards, consumer/customer complaints, 3rd party & customer audits, specifications, or incoming review of materials and must be provided to Ferrara upon request.

Suspension of GFSI Certificate

In the event of the suspension of GFSI certification you must notify Ferrara Candy Company immediately.



IV. Second Party Audits

Table 5

Reasons for second party audit	Auditing body	CAPA's	If supplier meets 3 rd party audit criteria, ad addresses CAPAS within "x" # of days	Frequency of second party audits
High Risk Categories/Regions	Social Responsibility Auditing body	CAPA's	15 days	Annual
New Vendors	Ferrara Candy Company	CAPA's	15 days	Prior to approval Annual
Existing vendors	Ferrara Candy Company	CAPA's	15 days	New production line /product/package
FDA Legislation changes	Ferrara Candy Co	Questionnaire	30 days	As needed

New Raw Material, External Manufacturing, and Purchased Candy Approval – New supplier

1. Ferrara will send a link to the Supplier section of our website www.ferrarausa.com/suppliers and request the following documents from potential suppliers for preliminary supplier approval:
 - a. GFSI Audit Certificate
 - b. Quality Plan
 - c. Risk Assessment outlining significant hazards
 - d. Preventive controls
 - e. D&B Number
 - f. FDA/EPA Registration Number
 - g. Letter of Product Guarantee
2. Ferrara will request product samples from who were approved in the preliminary stage.
3. Potential suppliers will send samples to Ferrara Research & Development for evaluation.

For Ferrara U.S. plants send samples to:

*Ferrara Candy Company
Attn: Research & Development
2300 Maywood Drive
Bellwood, IL 60130 USA*

For Ferrara Mexico plants send samples to:

*Ferrara Candy Company
Attn: Research & Development
Av. Industria Alimentaria No. 2020
Linares, NL 67735 Mexico*

4. If the sample is approved for Ferrara's formulation the procurement manager will notify the supplier account manager of the sample approval and direct them to the visit the supplier page of the Ferrara website at www.ferrarausa.com/supplier to review the full required document list for the material category.
5. The supplier will be required to register with Ferrara's electronic document management system.
6. The supplier will submit all documentation requirements through Ferrara's electronic document management system.
7. Ferrara's Global Supplier Quality team will review all submitted information. If all documents are acceptable the supplier will be added to Ferrara's approved supplier list. The procurement manager will notify the supplier of approval status.
8. The first purchase order will follow shortly thereafter.



New Raw Material Approval - Approved supplier

1. Ferrara will request product samples from approved suppliers.
2. Suppliers will send samples to Ferrara Research & Development for evaluation.

For Ferrara U.S. plants send samples to:

*Ferrara Candy Company
Attn: Research & Development
2300 Maywood Drive
Bellwood, IL 60130 USA*

For Ferrara Mexico plants send samples to:

*Ferrara Candy Company
Attn: Research & Development
Av. Industria Alimentaria No. 2020
Linares, NL 67735 Mexico*

3. If the product sample is approved for formulation Ferrara will send the supplier a specification request in our electronic document management system.
4. The Ferrara Global Supplier Quality team will approve or reject the submitted information.

New packaging material – New supplier

1. The following documents are collected for a preliminary supplier approval:
 - a. GFSI Certificate
 - a. Risk Assessment outlining significant hazards
 - b. EPA Number for the company
 - c. Registration Number for the facility
2. Ferrara Procurement Manager sends packaging material specifications to Supplier
3. Supplier acknowledges specifications
4. Supplier sends packaging material sample to Ferrara for stability testing.
5. If stability testing is successful, then Ferrara will approve the material for production.
6. The supplier will be required to register with Ferrara's electronic document management system.
7. If your stability sample is approved for our formulation the Ferrara procurement manager will notify the supplier account manager of the sample approval and direct you to visit the supplier page of the Ferrara website at www.ferrarausa.com/supplier to review the full required document list for the material category.
8. The supplier is then required to submit all required documentation for the appropriate material category in Ferrara's electronic document management system.
9. Ferrara's Global Supplier Quality team will review all submitted documents. If all documents are acceptable the supplier will be added to Ferrara's approved supplier list. The procurement manager will notify the supplier of approval status.
10. The first purchase order will follow shortly thereafter.

New packaging material – Existing supplier

1. Ferrara Procurement Manager sends specifications
2. Supplier acknowledges specifications
3. If this is a new structure the supplier will send a sample of the packaging material to Ferrara for stability testing.
4. If stability testing is successful, then Ferrara will approve the material for production.
5. The Ferrara procurement manager will notify the supplier account manager of the sample approval and direct you to visit the supplier page of the Ferrara website at www.ferrarausa.com/supplier to review the full required document list for the material category.
6. The supplier is then required to submit all required documentation for the appropriate material category in Ferrara's electronic document management system.



7. Ferrara's Global Supplier Quality team will review all submitted documents. If all documents are acceptable the supplier will be added to Ferrara's approved supplier list. The procurement manager will notify the supplier of approval status.
8. The purchase order will follow shortly thereafter.

First Production Run

All new processes or new products from an approved supplier require an assessment. The assessment may be conducted by a Ferrara Auditor or a 3rd party auditing firm. The facility must be running in full scale production of the same product or similar product or packaging type as the new process or product. Samples (sample sizes may vary) of the first production run must be provided to Ferrara for final approval prior to delivery. Suppliers shall include a Certificate of Analysis and testing data for the sample. The supplier is responsible for the cost of the sample and shipment.

Retention samples

Retention samples of the items purchased by Ferrara may be required. Ferrara expects the supplier to maintain retention samples for a minimum of two years or longer as agreed to in the purchasing agreement for materials that have the potential of a food safety or food quality risk.

V. Supplier Assessment

Suppliers on Ferrara Candy Company's Approved supplier list may remain in good standing by meeting our Quality, Food safety and Service expectations.

Communication

When an issue arises it is imperative to maintain communication between Ferrara Candy Company and suppliers. Suppliers may expect customer or consumer feedback and corrective action requests from the Global Supplier Quality department or the Procurement Manager. Suppliers may contact the following departments for assistance in resolving issues.

1. Global supplier quality - supplier.quality@ferrarausa.com
2. Procurement department – Procurement Manager
3. Plant Manufacturing team - supplier.quality@ferrarausa.com

Supplier change management

Suppliers shall develop and maintain a change management program to manage any and all changes to ingredients, manufacturing processes, packaging, raw materials, recipes and formulations, specifications, labels, and/or manufacturing locations, including subcontracting. Prior to initiating changes, Suppliers should send an Intent of Change letter to Ferrara Candy Company Global Supplier Quality department email supplier.quality@ferrarausa.com and the Procurement Manager with Ferrara Candy Company. Distributors and Brokers to Ferrara must provide notification of a change of manufacturer in writing and prior to delivery.



Documentation requirements

Ferrara has Corporate, Plant and specification document requirements of all suppliers. The specification documents for Raw material ingredients, Purchased candy, External manufacturing and Packaging materials are listed in the Appendix. Suppliers must provide all required documentation promptly in order to maintain your approved supplier status. Suppliers should expect document requirement changes. Document changes will be updated in the Supplier Expectations Manual on the Ferrara Candy Company website at www.ferrarausa.com/suppliers.

Receiving Storage and Transport program

Suppliers shall adhere to first manufactured, first to expire, first out inventory management and be able to demonstrate compliance. Suppliers shall have an effective hold program to prevent product that is placed on hold from being shipped to Ferrara. Where temperature control is required, the means of transport shall be capable of maintaining product temperatures within specification, under minimum and maximum load. Temperature data log devices which can be evaluated to confirm time/temperature conditions or a system to verify and record at predetermined frequencies the correct operation of refrigerated equipment shall be used and records maintained. In the event of a breakdown, accident, or failure of refrigeration systems, the carrier is responsible for contacting Ferrara. A failure to maintain temperature during the breakdown will be the responsibility of the carrier.

Acceptable temperature ranges

Table 6

Category	Recommended shipping condition
Chocolate	65 – 75 ° F, 60% RH Max.
White Yogurt; Carob	65 – 75 ° F, 60% RH Max.
Chewing Gum	40 - 90 ° F, 60% RH Max.
Caramels	65 – 75 ° F, 60% RH Max.
Circus Peanuts	65 – 75 ° F, 60% RH Max.
Creams	65 – 75 ° F, 60% RH Max.
Coconut Stacks	65 – 75 ° F, 60% RH Max.
Gelatin (Gummi)	55 – 75 ° F, 60% RH Max.
Jellies & Juju's & Jelly Beans	55 – 75 ° F, 60% RH Max.
Sour Gummi and Juju's	55 – 75 ° F, 60% RH Max.
Licorice	55 – 75 ° F, 60% RH Max.
N&L	50 – 80 ° F, 60% RH Max.
Tablet Candy	40 – 90 ° F, 60% RH Max.
Hard Candy	40 – 90 ° F, 60% RH Max.
Peanuts	40 – 50 ° F, 60% RH Max.
Trail Mixes; Nuts	32 – 50 ° F, 60% RH Max.
Non-Chocolate Cookies	40 – 90 ° F, 60% RH Max.
Juice concentrate	Refer to vendor specification
Fruit puree	0° - 40° F, 60% RH Max.
Natural Colors	0° - 32° F, 60% RH Max.
Artificial Color	Refer to vendor specification
Natural Flavors	0° - 32° F, 60% RH Max.
Artificial Flavor	Refer to vendor specification



Delivery of material for domestic suppliers

All product shipments to Ferrara must include a certificate of analysis (COA), bill of lading and deliver according to the goods receipt process that may be found on www.ferrarausa.com/suppliers. All deliveries that arrive without one or more of the required documents will be reflected in your supplier scorecard.

Delivery of material for international suppliers

All international suppliers must comply with the Foreign Supplier Verification Program (FSVP) as outlined in the FSMA, and make all necessary evidence of compliance available to Ferrara. Ferrara Candy shall have the right to send an auditor to the premises of the vendor to inspect vendor's food safety and product quality systems, and assess the level of compliance with Ferrara Brands specifications and the to assess the suppliers adherence to the Ferrara code of conduct, and finally to confirm that any required corrective actions have been implemented and monitored. Where a broker, consignee, or representative is importer of record of a food offered for import into the United States, then they will have to demonstrate that they are importing such products from approved suppliers. In order to meet this requirement, importers will have to develop, apply and maintain a risk assessment of the imported food product and foreign supplier, verification activities, investigations and corrective actions. Importer will perform periodic assessments, importer identification and records for each imported product and foreign supplier.

Recall plan

Suppliers shall notify Ferrara immediately if any product or raw material that we purchase is involved in a voluntary or involuntary recall. FSMA requires that a recall plan is developed when a hazard requiring a preventive control is identified. This recall plan must be annually tested to ensure that it will work if a recall is necessary.

Key Performance Indicators (KPIs)

Ferrara will maintain a scorecard measuring KPIs including, but not limited to:

- Product quality
- Transportation conditions
- Compliance with documentation requirements
- GFSI grade of facilities
- Corporate Social Responsibility score of facilities

Supplier Disqualification

- Violation of Quality and Food Safety protocols will result in a probationary warning for the initial offense.
 - a. Failure to meet GFSI score/grade minimum may result in loss of approved status
 - b. Suspension of GFSI certification may result in loss of approved supplier status
- Failure to activate or renew membership to Ferrara's electronic document management system may result in termination.



- a. Suppliers will have three days from the date of account creation to activate a membership.
 - b. Suppliers will have up to thirty days from the date of account expiration to renew membership
- Suppliers must maintain a compliance level of at least 80 % across all accounts that service Ferrara.
 - a. All product specification requests must be completed within 14 days. If left incomplete for 21 days the supplier may be removed from Ferrara's approved supplier list.

Suppliers that fail to meet the expectations may be asked to submit corrective actions or resolve the outstanding request. Any supplier that continuously fails to adhere to Ferrara Candy Company expectations or that fail to submit a corrective action when requested will be disqualified.

Appendix - Documentation and Software Systems

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Document Requirements – Tub (Packaging).....	4
Document Requirements – Folding Cartons & Corrugate (Packaging)	4

Appendix

Product Specific documents – Raw material

Raw material product specific documents will be collected in the Specification module of Ferrara's electronic document management system

1. Allergen Statement
2. Allergen Control Plan
3. Sanitation Validation Process
4. Country of Origin
5. Country of Manufacture
6. Standard and expedited lead time
7. Specification Sheet
8. Ingredient Statement
9. Microbial Specification
10. Total Shelf Life
11. HACCP Summary Sheet
12. Safety Data Sheet (SDS)
13. Sampling Procedures
14. Nutritional Info (100g)
15. Lot Code Explanation
16. Third Party Sampling Procedure (If applicable)
17. Packaging Type & Net Weight
18. Shipping & Storage Requirements
19. Kosher Certification (if applicable)
20. Halal Certification (if applicable)
21. Organic Certification (if applicable)
22. Food Irradiation / Sewage sludge statement (if applicable)
23. Gluten Statement (if applicable)
24. GMO Statement
25. Hydrogenated Oil Free Statement
26. Unit of Measure Information
27. Pallet Information
28. Manufacturing Location(s)
29. Example of Certificate of Analysis
30. Vegan/Vegetarian Statement
31. Diacetyl Free Statement
32. Volatile Organic and Vapor Pressure Statement
33. Statement of Compliance with Food Chemical Codex
34. California Prop. 65 Statement
35. Product Composition/Reconstruction Ratio (if available)
36. OSHA Hazardous Communication Standard Label (if available)
37. Animal-Derived Statements (BSE-TSE) (if available)
38. Bulk Ingredient Dry Sifting (if available)
39. Harmonized Tariff Code / Commercial Invoice Sample

Appendix

Product specific documents will be collected in the Specification module of Ferrara's electronic document management system

Product Specification documents – External Manufacturing

1. Allergen Statement
2. Country of Origin
3. Country of Manufacture
4. Standard and expedited lead time
5. Unit of Measure Information
6. Pallet Information
7. Product photos
8. Specification Sheet
9. Shipping & Storage Requirements
10. Total Shelf Life
11. Bill of Material Statement
12. Cooking Data Sheet
13. Claim (Nutritional) Statement
14. Recipe Sheet
15. HACCP Summary Sheet
16. Melamine Statement
17. Safety Data Sheet (SDS)
18. Third Party Sampling Procedure (If applicable)
19. Packaging Type & Net Weight
20. Example of Certificate of Analysis
21. OSHA Hazardous Communication Standard Label (if available)
22. Harmonized Tariff Code / Commercial Invoice Sample

Product Specific documents – Purchased Candy

1. Allergen Statement
2. Country of Origin
3. Country of Manufacture
4. Standard and expedited lead time
5. Unit of Measure Information
6. Pallet Information
7. Product photos
8. Specification Sheet
9. Shipping & Storage Requirements
10. Total Shelf Life
11. Claim (Nutritional) Statement
12. HACCP Summary Sheet
13. Melamine Statement
14. Safety Data Sheet (SDS)
15. Third Party Sampling Procedure (If applicable)
16. Packaging Type & Net Weight
17. Example of Certificate of Analysis
18. OSHA Hazardous Communication Standard Label (if available)
19. Harmonized Tariff Code / Commercial Invoice Sample

Appendix

Product specific documents – Packaging Materials

Product specific documents will be collected in the Specification module of Ferrara's electronic document management system

1. Film:
 - a. Chemical Composition of the Substrate
 - b. Total Shelf Life
 - c. Migration Testing of Materials Procedure or Documentation
 - d. Miniproof
 - e. BPA Statement
 - f. Melamine Statement
 - g. Safety Data Sheet (SDS)
2. Labels:
 - a. Total Shelf Life
 - b. Miniproof
3. Tubs:
 - a. Chemical Composition of the Substrate
 - b. Migration Testing of Materials Procedure or Documentation
 - c. BPA Statement
 - d. Melamine Statement
 - e. Safety Data Sheet (SDS)
4. Folding Cartons & Corrugate:
 - a. Specification
 - b. Forest Stewardship Council Certificate
5. Required of all Packaging materials
 - a. Specification Information
 - b. Certificate of Compliance with 21 CFR 170.39 (if applicable)
 - c. Country of Origin
 - d. Unit of Measure Information
 - e. Pallet Information
 - f. Material Lifecycle Information
 - g. Country of Manufacture
 - h. Printed Packaging Material Information (if applicable)
 - i. Shipping & Storage Requirements
 - j. Asset Specification
 - k. CONEG Statement
 - l. Hazardous Communication Standard Label
 - m. Harmonized Tariff Code / Commercial Invoice Sample
 - n. CAD Files (PDF)
 - o. CAD Files (EPS/AI)
 - p. Print Card