



SOCIAL COMPLIANCE POLICY & CODE OF CONDUCT

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Introduction

Andamiro Co. Ltd. and its American subsidiary Andamiro USA Corp. (collectively Andamiro or the Company) are leading global suppliers of out-of-home amusement machine attractions. Andamiro designs, manufactures and markets arcade novelties, prize vending machines and sports games, along with rhythm and dance video games. Our mission is “to bring ultimate happiness to all.”

Andamiro’s approach is to work closely with its customers to establish an agenda to achieve quality and satisfaction. The company stands behind its commitments and strives to exceed customer expectations in providing outstanding products and services. Our main customers include such family entertainment chains as Dave & Buster’s Inc. and CEC Entertainment Inc., among other operational brands; amusement equipment resellers; and thousands of professional amusement machine operating companies and independent entertainment centers. Andamiro’s customer base spans the globe. In this far-reaching range, Andamiro is committed to:

- Working with dedication and innovation, with total focus on its customers.
- Integrity and honesty by adhering to ethical and moral standards.
- Promoting a work culture that provides individual growth, team spirit and creativity to overcome challenges and achieve goals.
- Realizing growth along with our customers, staff and suppliers.

Andamiro believes that its success is built on a foundation of personal and professional integrity. Our corporate code states: “to keep promises at all cost, with responsibility to all people concerned and their goals.” The Company understands the challenge of ensuring high social, ethical and environmental standards within its business and throughout its supply chain. It is committed to working collaboratively with suppliers to ensure that these standards continually improve. With that in mind, Andamiro has established this social compliance Policy and code of conduct based on the internationally recognized Ethical Trading Initiative (ETI) base code and guidance from The Walt Disney Co.’s International Labor Standards (ILS) program.

This Policy and code frames Andamiro’s minimum standards, along with the basic principles it expects from all its suppliers and contractors. The Company is committed to ensuring that the standards outlined in this Policy are effectively implemented, measured and monitored throughout its global supply chain and, therefore, requires the support of its suppliers to meet these standards.

(A) SCOPE

Andamiro’s management defines this Policy as relevant to the organization itself, its contractors, subcontractors, suppliers and other parties that comprise the supply chain.

(B) GENERAL PROVISIONS

Business partners (including but not limited to agents, vendors, manufacturers, factories, suppliers and subcontractors) must comply fully with all legal requirements relevant to the conduct of their businesses.

This Policy underscores Andamiro’s values and expectations, and emphasizes the importance of responsible workplace policies and practices, which generally comply, at a minimum, with applicable occupational

health and safety (H&S), and environmental and labor laws and regulations. The standards explained here within reflect the values which Andamiro upholds in its own policies, and its suppliers are expected to follow these standards and requirements:

(i) Employment is freely chosen

- There is no forced, bonded, indentured or involuntary prison labor.
- Workers are not required to pay fees or lodge deposits or original identity papers with their employer and are free to leave their employer at will after reasonable notice.

(ii) Freedom of association must be permitted

- The freedom of association and the right to collective bargaining is respected.
- The employer adopts an open attitude toward the activities of both trade unions and worker organizations.
- Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder the development of parallel means for independent and free association and bargaining.

(iii) Working conditions are clean and safe

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with or occurring in the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Applicable occupational H&S regulations will be adhered to, and a working environment that is safe and conducive to good health shall be provided. Workers shall receive regular and recorded H&S training and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable water will be provided. Sanitary facilities for food storage shall be provided.
- Accommodations, where provided, shall be clean, safe and meet the basic needs of the workers.
- Responsibility for H&S shall be assigned to a senior management representative.

(iv) Child labor is prohibited

- Andamiro does not engage in or support the use of child labor.
- Suppliers and contractors must not recruit child labor. (“Child labor” is defined under ILO Conventions as workers under the age of 15, or 14 in certain developing countries. No hazardous work may be carried out by anyone under the age of 18).
- Suppliers and contractors must maintain formal documentation that verifies the age of each of their employees.
- If children are found to be working for a supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.
- Children and young persons under 18 shall not be employed at night or in hazardous conditions.

(v) Fair wages are paid

- Wages and benefits paid for a standard workweek shall meet, at a minimum, national legal standards or industry benchmark standards.
- All workers shall be provided with written and comprehensible information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages

for the pay period concerned each time that they are paid.

- Wages shall be paid directly to the workers, at the agreed intervals and in full.
- Overtime must be paid at an enhanced rate, at a minimum compliant with national legislation.
- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

(vi) Working hours comply with best standards

- Working hours comply with national laws or industry benchmarks, whichever affords greater protection.
- Applicable hour and benefits comply with laws relative to the industry and/or local labor market.

(vii) Antidiscrimination is adhered to

- Andamiro's suppliers and contractors must comply fully with local laws regarding equality of employment opportunities.
- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, nationality, origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

(viii) Regular employment is provided

- To every extent possible, work performed must be on the basis of recognized employment relationship established through national law and best practices.
- Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, subcontracting or home-working arrangements, or through apprenticeship schemes in which there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
- Migrant, contract, part-time and home workers must receive the same rights, benefits and opportunities as other workers performing similar activities.

(ix) Harsh or inhumane treatment is forbidden

- Physical abuse or discipline, the threat of physical violence, sexual or other harassment, as well as verbal abuse or other forms of intimidation, is prohibited.
- All disciplinary actions must be recorded and be fair, proportionate and fully compliant with local laws.
- Suppliers and contractors will ensure access to confidential means of reporting inhumane treatment and workplace grievances.

(x) The environment is protected

- Business shall be conducted in compliance with all applicable environmental laws, rules and regulations.
- Waste is minimized and items recycled wherever this is feasible. Effective controls of waste aimed at reducing ground, air and water pollution shall be adopted. Regarding hazardous materials, emergency response plans must be in place.
- With respect to packaging and paper, undue and unnecessary use of materials is avoided, and recycled materials are used whenever appropriate.
- With respect to energy use, all production and delivery processes – including the use of heating, ventilation, lighting, IT systems and transportation – are based on the need to maximize efficient energy use and to reduce harmful emissions.

(xi) Business integrity governs

- Strive to provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money laundering and corruption, as well as prohibiting the exchange of money or anything else of value to or from anyone, including government officials, to influence actions or obtain unfair advantage.

(C) IMPLEMENTATION OF THE SOCIAL COMPLIANCE POLICY

Andamiro is committed not only to comply with this Policy within its own business, but to working collaboratively with its suppliers and contractors to drive compliance through the supply chain. It supports its suppliers and contractors in achieving this objective and will stand by the following principles in order to drive this improvement in ethical performance.

Andamiro commits to:

- Allocate the required resources in order to fully implement the Policy, including an internal system to record and monitor compliance throughout the supply base to this Policy.
- Assign responsibility for the implementation of this Policy to an appropriately trained management representative who will provide Andamiro, suppliers and other stakeholders with compliance updates and implementation performance as required.
- Work collaboratively with our suppliers, supporting them in the improvement of social, ethical and environmental standards where required and appropriate.
- Full compliance with this Policy within our own business and to ensuring that all relevant employees are aware of this social compliance Policy.
- Acknowledge specific national, regional and cultural challenges that may affect compliance.
- Recognize suppliers' own standards where they are comparable to our own.
- Communicate this Policy to all suppliers and contractors and encourage and seek formal acceptance and commitment to its implementation.
- Report level of compliance to each supplier and request a comprehensive "corrective action plan" be developed, complete with relevant targets and timescales. Andamiro will support suppliers through any remediation process and will monitor progress.
- Communicate periodically to Andamiro employees, management and suppliers the progress toward compliance with this Policy.
- Periodically review this Policy in order to continually improve, taking into consideration changes in legislation, and any other requirements to which the Company subscribes, and in order to ensure the adequacy, suitability and continuing effectiveness of the Policy.
- Terminate transactions with suppliers that demonstrate persistent disregard for this Policy while giving appropriate consideration to the impact this may have on the supplier and community in which they operate.

Andamiro requires its suppliers to:

- Comply with this Policy and all applicable laws in the countries in which they operate. Where standards differ, the standard that offers a greater degree of protection to workers shall apply.
- Allocate relevant resources for full implementation of this social compliance Policy.
- Communicate the Policy to all employees, suppliers, subcontractors, home workers, temporary workers and contract workers engaged in their supply chain. (Andamiro will recognize its suppliers'

own policies and standards where they are comparable with ours).

- Communicate openly and honestly with Andamiro and allow access to documentation and business sites as required to determine performance against this Policy.
- The conduct of our suppliers should not violate the basic rights of Andamiro. Its suppliers should not be engaged in (a) the manufacture of arms and (b) the sale of arms to governments that systematically violate the human rights of their citizens: or where there is internal armed conflict or major tension; or where the sales of arms may jeopardize regional peace and security.

(D) AUDITS

Andamiro is committed to working with suppliers to make the global supply chain more responsible. The Company requires suppliers and their facilities to assess supply chain risks, to monitor supply chain conditions through audits and investigations, to provide training and tools to their associates and to follow a model of continuous improvement.

In facilities in source countries where an audit is required, Andamiro could request that a supplier obtain an audit from an approved third-party social compliance audit program so that the Company can appraise the facility's compliance with standards set forth in this Policy statement. The following organizations are among the internationally recognized third-parties that offer audit programs:

- » Better Work | www.betterwork.org
- » Bureau Veritas Group (BVG) | www.bureauveritas.com
- » Business Social Compliance Initiative (BSCI) | www.intertek.com
- » International Council of Toy Industries (CARE) | <https://toy-icti.org>
- » Responsible Business Alliance (RBA) | www.responsiblebusiness.org
- » Social Accountability International (SA8000) | www.sa-intl.org
- » Worldwide Responsible Accredited Production (WRAP) | www.wrapcompliance.org

Third-party audit reports submitted by suppliers are reviewed for compliance.

(E) CONTINUOUS IMPROVEMENT

Andamiro commits to review this Policy periodically in order to improve continually, taking into consideration changes in legislation and any other requirements to which the Company subscribes, and in order to ensure the adequacy, suitability and ongoing effectiveness of the Policy. This Policy will be routinely reviewed during the Company's management meetings and will be integrated into its management system.

(F) SOCIAL COMPLIANCE INQUIRIES

More information about Andamiro's social compliance Policy and its corporate responsibility standards can be obtained from Nick Montano at nick@andamirousa.com or Drew Maniscalco at drew@andamirousa.com. To learn more about Andamiro and Andamiro USA, please visit andamiro.com and andamirousa.com.



This section below will be used by the supplier/contractor and a signed copy of this page will be returned to Andamiro Co. Ltd.

I confirm that _____ (insert Company name)

understands the principles and goals set forth by this Social Compliance Policy and Code of Conduct, and is prepared to work toward full compliance set forth by Andamiro Co. Ltd. and with the support of and guidance from Andamiro.

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(Andamiro's Social Compliance Policy and Code of Conduct will be updated and reissued annually.)

Print name: _____ Title: _____

Signature: _____ Date: _____

Company stamp or mark: