

## Brother's CSR



The whole Brother Group is engaged in CSR activities to gain the trust of its stakeholders.

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Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)  
Covered period: April 1, 2018 to March 31, 2019  
Guideline used as a reference: GRI's "Sustainability Reporting Standards"

## Message on CSR from the Management

### Seeking the Happiness of Our Customers and Associates with the "At your side." Spirit in Mind

#### Brother's CSR management and Global Charter

With the spirit of "At your side." in mind, Brother focuses on the "happiness of their customers and associates." We can achieve this when we create products that address our customers' needs through the united efforts of all Brother Group associates, and in turn we can take pride in knowing that we achieved this. As stated in the Brother Group Global Charter (Global Charter), we will develop long-term trust relationships with our customers and other stakeholders by further developing our business and fulfilling social responsibilities to achieve management that pursues the happiness of our customers and associates. We will continue to evolve Brother's CSR management by disseminating this sense of value, stated in the Global Charter, to all associates of the Group.



#### Manufacturing that adopts to changing customer and social needs

Brother is continuously transforming. The strategy is to continuously provide "superior value" in order to address our customers' needs and ensure the Brother Group is successful as a manufacturing company. Values demanded from customers and society are changing. For example, the Sustainable Development Goals (SDGs) for 2030, adopted by the United Nations in 2015, has set seventeen goals to realize a sustainable world and has requested corporations to take some actions as well. Many stakeholders have also requested corporations to conduct business focusing on Environmental, Social and Governance (ESG) standards. In such circumstances, Brother's priority is to create social value through business by doing the following:

- Seek to provide innovative products and services that make our customers happy
- Continue to make efforts to help the global environment
- Continuously promote social contribution activities
- Enhance collaboration with business partners on ways to address social demands quickly

It is important for Brother's long-term success to address these issues. To realize the success, we must tackle them while considering expectations from society, in addition to customers' requests, as opportunities for business growth and management risks.

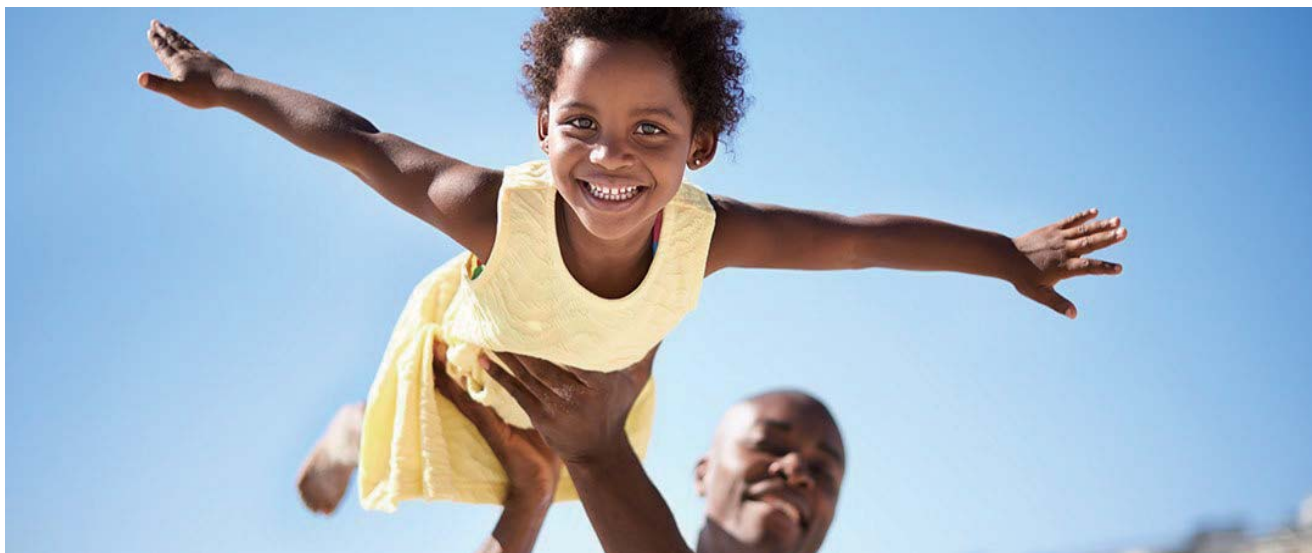
#### "At your side." actions by all employees

I will take the lead in addressing the issues by promoting communication with various stakeholders, including mainly our customers and associates around the world, and carrying out other initiatives to evolve the Brother Group's CSR management from both short-term and long-term perspectives and meet expectations from customers and society. I will also encourage associates' actions for quickly providing customers with superior value based on the "At your side." spirit--Brother's good corporate culture.

The Brother Group is deeply committed to evolving business by making efforts to ensure that we have the trust of all stakeholders and pursue the "happiness of customers and associates."

**Brother Industries, Ltd.**  
**Representative Director & President**  
**Ichiro Sasaki**  
**September 2019**

## Brother Group's CSR



With the spirit of "At your side." in mind, Brother focuses on the "happiness of their customers and associates." As stated in the Brother Group Global Charter (Global Charter), we will develop long-term trust relationships with our customers and other stakeholders by further developing our business and fulfilling social responsibilities to achieve management that pursues the happiness of our customers and associates. We will continue to evolve Brother's CSR management by disseminating this sense of value, stated in the Global Charter, to all associates of the group.

### To Be Trusted by All Stakeholders

- We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future
- We Respond to Changing Customer Needs and Social Expectations

### CSR Targets of the Brother Group

- Establishing Long-term Trusting Relationships with Our Stakeholders
- Promoting Initiatives Towards Resolving Social Challenges

### The Brother Group Principles of Social Responsibility

- Introducing the Brother Group Principles of Social Responsibility

### CSR Data

- Brother Group's CSR in Figures

## Brother Group's CSR

# To Be Trusted by All Stakeholders

## We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

As stated in the Brother Group Global Charter (Global Charter), the basis of all our activities, we have developed long-term trust relationships with our customers and stakeholders by developing our business and fulfilling social responsibilities.

Brother will generate social value through business around the world and promote management focusing on Environmental, Social and Governance (ESG) standards, tackling the following four priorities to help achieve the 17 Sustainable Development Goals (SDGs), adopted by the United Nations.

### 1. Seek to provide innovative products and services that make our customers happy



To achieve the long, successful future of Brother stated in the Global Charter, we believe that Brother's business should help realize a sustainable society. Based on this idea, we create various innovative products and services to solve social challenges. We, for example, consider how to help solve social challenges with Brother's existing products and services and how to generate new businesses that can help solve social challenges with Brother's technologies. Brother is now exploring the direction of these initiatives while working together with NPOs addressing the SDGs and so forth.

### 2. Continue to make efforts to help the global environment



In April 2018, the Brother Group established the Brother Group Environmental Vision 2050 based on the basic environmental philosophy described in the Global Charter. In this environmental vision, the group outlines its plan to address the escalation of environmental problems, including climate change, resource depletion, pollution caused by waste, and ecosystem destruction, on a long-term basis and in a continuous way, perceiving these problems as serious social challenges and our business risks. To achieve this plan, we have set a long-term vision for FY2050 and medium-term targets for FY2030 in the three fields of "CO2 emissions reduction," "resource circulation," and "biodiversity conservation," and been implementing various activities.

Brother Group's CSR

## To Be Trusted by All Stakeholders

We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

### 3. Continuously promote social contribution activities



The Brother Group has been contributing to the local communities where the group facilities are located. The group every year conducts a lot of activities, especially focusing on health and welfare, educational support, and environmental conservation. We will encourage our respective facilities to autonomously carry out such activities and further contribute to society with Brother's resources, such as products, services, technologies, and human resources.

### 4. Enhance collaboration with business partners on ways to address social demands quickly



The Brother Group considers that fulfilling social responsibilities at the group's manufacturing facilities and parts and materials suppliers is a critical issue. The Brother Group cares about the environment and addresses challenges in the fields of human rights and labor, safety and health, fair trade and ethics, product quality and safety, information security, social contribution, and so forth. The group discloses its "Procurement Policy" and "CSR Procurement Standards" to parts and materials suppliers and encourages them to comply with these policy and standards. To reinforce these efforts, Brother joined the RBA, an international organization dedicated to promoting corporate social responsibility, in February 2019. Brother will respond to social demands from the marketplace by promoting systematic approaches in line with the RBA's framework.

The happiness, health, and job satisfaction of employees are essential for achieving the above four priorities. As stipulated in the Global Charter, Brother respects diversity, provides a working environment that enables its associates to utilize their talents and abilities to the fullest, and gives them great opportunity through challenging work assignments, and thereby focuses on the development of globally competent human resources. In addition, the company has been promoting and maintaining the health of employees in a strategic way under the Brother Group Health & Productivity Management Philosophy.

## Brother Group's CSR

# To Be Trusted by All Stakeholders

## We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

Through these activities, Brother will evolve its CSR management and further strengthen trusting relationships with its stakeholders to ensure a long, successful future.

In addition, we will further reinforce the Brother Group's unique management system "Brother Value Chain Management" by creating social value through our business activities, and thus achieve our medium- to long-term vision "Global Vision 21" at a high standard.

## We Respond to Changing Customer Needs and Social Expectations

The "Brother Group Global Charter," the basis for all operations, and the Sustainable Development Goals (SDGs)

The Global Charter serves as the basis of all operations conducted by Brother to create social value through business around the world and promote management focusing on Environmental, Social and Governance (ESG) standards.

The Global Charter sets forth the fundamental principles of the Brother Group, such as "quickly and consistently providing superior value with the "At your side." spirit in mind," "confidently facing challenges with a consistently global view," and "acting with the highest integrity."

To become a trustworthy company, the Brother Group expects each of more than 30,000 employees to embody the Global Charter in their daily decision-making and actions and quickly create and deliver products and services that meet the needs of its stakeholders.

The Global Charter has been translated into the native languages of the group's employees, including languages in Europe, the United States, and Asia, to enable them to always keep the charter in mind. In addition, portable handy-sized charter cards (in 25 languages) and posters (in 27 languages) have been distributed to the group facilities around the world.



Handy-sized cards and posters

## Brother Group's CSR To Be Trusted by All Stakeholders

### We Respond to Changing Customer Needs and Social Expectations

#### The "Brother Group Global Charter," the basis for all operations, and the Sustainable Development Goals (SDGs)

The top management in the group's respective facilities every year formulates their commitments based on the Global Charter and takes the initiative in embodying the charter principles, and also delivers messages and creates opportunities to dialogue with employees. In FY2018, they issued 64 messages and had more than 2,500 face-to-face talks with employees (a 150 percent increase over the previous year).

The Global Charter promotional leaders, who are appointed by the managers of each facility or department, are engaged in promoting the charter-based behavior of each employee in a variety of ways tailored to each organization's role and challenges. Such activities, for example, include creating opportunities for employees to review their own actions in light of the Global Charter.

In addition, regular meetings for the promotional leaders are held in Japan, China, and Vietnam. These meetings allow them to discuss the challenges of the promotional activities conducted by the respective group organizations, to share employees' charter-based actions that have contributed to productivity improvement or responded to customer needs and take cues to develop such activities in their own organizations. In this way, the meetings enable the leaders to learn beyond the borders of their facilities and occupations ranging from development, manufacturing, and sales.



Promotional leader meeting held in Vietnam

Since FY2019, the Brother Group has been committed to raising managers' and employees' awareness of the Sustainable Development Goals (SDGs) in addition to that of the Global Charter. The group will implement various awareness-raising activities in its respective facilities and departments by delivering messages from the group's top management to communicate their enthusiasm in achieving the SDGs to the group employees and utilizing the systems established to promote the Global Charter, such as the promotional leader meeting.

The Brother Group will continuously and further stimulate each employee's actions to gain the trust of all stakeholders and become a company which can generate a strong sense of pride among its employees.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

The Brother Group Global Charter (Global Charter) was established in 1999 and lays the foundation for Brother's global activities. All Brother companies and employees must base their decisions and actions on the guidelines set out in Global Charter. In order to meet the requirements of Global Charter, particularly with regard to responsibilities towards stakeholders including customers, Brother has implemented an active CSR management program.

As the role of corporations has become more significant in achieving a sustainable society, the demands and expectations of stakeholders towards the Brother Group have increased.

In response, Brother has adopted "Principles of Social Responsibility" (the "Principles") to publically express how we fulfill our social and ethical duties.

Rigorous implementation of the Principles will ensure that Brother meets its social responsibilities in the countries and regions where we operate and will enhance Brother's CSR management.

We aim to make Brother an even more globally recognized and unified corporate brand which is truly trusted by our customers and stakeholders. Moreover, we hope that Brother will enjoy a long and successful future in a sustainable and ethical society.

**Brother Industries, Ltd.**  
January 27, 2012

## The Brother Group Principles of Social Responsibility

### A. Fair working conditions

In recognition of the importance of providing fair working conditions, the Brother Group respects people and recognizes fundamental human rights and expects people working and employed by the Brother Group ("Associates") to act in the same way.

#### 1. Non-discrimination and Non-harassment

The Brother Group does not tolerate acts of discrimination or harassment. In particular, the Brother Group does not:

- (1) unlawfully discriminate against anyone based on, for example, race, sex, age, sexual orientation, pregnancy, political affiliation, union membership, marital status, nationality, ethnic background, religion, or disability; or,
- (2) violate a person's dignity by engaging in harassment or abuse (on any grounds or in any form), corporal punishment, mental or physical coercion or threat of any such treatment.

#### 2. Fair and lawful labor practices

The Brother Group strives to comply with all local laws and regulations, instructions of competent authorities or appropriate local industry practices in relation to working conditions including hours, wages and benefits (including minimum wages) and overtime hours.



## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### The Brother Group Principles of Social Responsibility

#### 3. Freedom of association

The Brother Group respects the rights of employees in each country in which we operate to associate freely with others, join or not join labor unions, seek representation and join workers' councils in accordance with local laws and regulations.

#### 4. Child and forced labor

The Brother Group does not tolerate or engage in illegal labor practices. In particular the Brother Group does not:

- (1) use forced labor or involuntary prison labor;
- (2) require Associates to hand over government-issued identification, passports or work permits to Brother as a condition of employment (except temporary hand over for identification confirmation or government formalities);
- (3) knowingly employ any persons below the age for completing compulsory schooling in accordance with local laws;
- (4) knowingly employ persons under 15 years old (or 14 where the law of the country permits); or
- (5) assign Associates under the age of 18 to work that is likely to jeopardize their health or safety.

#### 5. Clearly defined disciplinary policies

The Brother Group shall clearly define disciplinary policies and procedures and communicate these policies and procedures to its employees.

#### 6. Whistleblowing system

Each Brother Group company shall establish a whistleblowing system and encourage Associates to report any violations of these Principles, other company policies, local laws and regulations. The Brother Group does not authorize Associates to retaliate against persons for making a good faith report of a violation and, where appropriate and if permitted by local laws, shall ensure the anonymity of any whistleblowers.

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## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

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## Introducing the Brother Group Principles of Social Responsibility

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### The Brother Group Principles of Social Responsibility

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## B. Health and Safety

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### 1. Health and safety at work

The Brother Group will comply with all laws and regulations applicable to providing a safe and healthy workplace for our Associates.

The Brother Group protects the health and safety of Associates in the workplace by:

- (1) evaluating and controlling potential safety hazards including physically demanding work, electrical and other energy sources, fire, vehicles, and exposure to chemicals and other biological and physical agents;
- (2) providing properly designed and well maintained workplaces and appropriate protective equipment;
- (3) implementing safe work procedures and systems and providing ongoing training and systems designed to prevent, manage, track and report occupational injury and illness; and
- (4) implementing strategies and response procedures for emergency situations and events including evacuation procedures, drills and recovery plans.

### 2. Sanitation, food and housing

The Brother Group will provide Associates and any third parties who work at our premises with clean toilet facilities and clean water, and where provided, food preparation and eating facilities will be sanitary.

Where provided, dormitories shall be well maintained, clean and safe, and equipped with appropriate emergency exits, hot water for showering, adequate heat and ventilation and personal space, all according to applicable local standards.

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## C. The Environment

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In order to help society to achieve sustainable development, the Brother Group shall adopt its environmental protection policy and strive to reduce the impact of our business on the environment in all aspects of our activities and at every stage of a product's lifecycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling. The Brother Group will obtain any environmental permits and licenses required and comply with all applicable international and domestic environmental laws and regulations including restrictions on the use of certain substances.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### The Brother Group Principles of Social Responsibility

#### D. Ethical and respectable business practices

The Brother Group will act with the highest integrity and ethics in all aspects of our activities.

##### 1. Fair dealing

The Brother Group will comply with the anti-trust and competition laws of the countries and regions which apply to our operation and will not engage in any acts which will restrict or distort free and fair competition. In purchasing goods and services, Brother will select suppliers impartially and upon fair conditions.

##### 2. Proper advertising

The Brother Group shall uphold and comply with applicable standards of advertising and the Brother Group will refrain from knowingly using any misleading or inaccurate advertising.

##### 3. Improper advantage

The Brother Group shall not engage in any form of corruption, extortion or embezzlement. Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

##### 4. Reporting and recording accurate corporate information

The Brother Group shall record and report all necessary information including accounting records promptly and accurately, and retain them properly.

The Brother Group shall make accurate and timely disclosure of financial status and information on business operations to shareholders, investors and applicable capital markets to facilitate informed investment decisions in accordance with applicable laws and regulations.

Moreover, the Brother Group shall require Associates to ensure that statements of a personal nature appearing in newspapers or magazines, and on radio, television, video or via the internet will not give the appearance of speaking or acting on Brother's behalf.

##### 5. Information management

The Brother Group has rigorous information management systems and ensures that Associates will not unlawfully disclose confidential information relating to the Brother Group companies, other organizations or our customers to third parties without consent.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### The Brother Group Principles of Social Responsibility

#### 6. Protection of personal information

The Brother Group respects the privacy of our customers, business contacts and Associates and has developed safeguards designed to limit access to their personal information in accordance with local privacy laws. The Brother Group safeguards private information, including personal data, lists of our customers and employees and does not authorize our Associates to share private information, unless it is done in accordance with local data protection laws and our applicable privacy policies or otherwise with permission, as appropriate.

#### 7. Policy against insider trading

Associates shall not become involved in illegal insider trading. Illegal insider trading is generally to trade securities while in possession of material, non-public information about the security.

#### 8. Protection of intellectual property rights

The Brother Group shall endeavor to secure, maintain, and expand the Brother Group's intellectual property rights (including but not limited to patent rights, trademark rights and copyrights) and the Brother Group will respect the intellectual property rights of third parties. The Brother Group and Associates shall not intentionally infringe the intellectual property rights of others.

## E. Management System to implement these Principles

The Brother Group will establish a management system to implement these Principles as follows:

- (1) each Brother Group company shall implement its own code of conduct which, together with other company rules, satisfies the standard set by these Principles and require its Associates to comply with such code;
- (2) each Brother Group company shall, according to its organization, clarify the department responsible for implementation of its code of conduct;
- (3) each Brother Group company shall give regular training to its employees with respect to compliance with its code of conduct;
- (4) each Brother Group company shall perform periodic auditing to ensure conformity with these Principles; and,
- (5) each Brother Group company shall correct in a timely fashion any deficiencies identified by periodic audits.

The senior management in charge of the legal section at Brother Industries, Ltd shall be responsible for ensuring implementation of these Principles by each company of the Brother Group and the management systems as well as reviewing the status of the management system on a regular basis.

## Brother Group's CSR

# CSR Targets of the Brother Group

### Establishing Long-term Trusting Relationships with Our Stakeholders

With the spirit of "At your side." in mind, Brother focuses on the "happiness of its customers and associates." To achieve this, as stated in the Brother Group Global Charter, we will develop long-term trust relationships with our customers and other stakeholders by further developing our business and fulfilling social responsibilities. All employees of the Brother Group act with this sense of value to continue to evolve Brother's CSR management.

#### Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Customers	<ul style="list-style-type: none"> <li>Place our customers first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services</li> <li>Quickly respond to the demands and expectations of the global marketplace</li> </ul>	<ul style="list-style-type: none"> <li>Take customer opinions as the starting point of our business activities and deliver products and services that meet customer needs</li> <li>Establish quality standards and evaluation methods for products and create reliable products</li> <li>Call the percentage of products sent back from customers for repair or return the "rate of product return and servicing," and pursue product quality improvement to reduce product defects close to zero</li> <li>Work in proper cooperation with partners to flexibly respond to diversified business tools, markets, and changes in customers' behavior</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Respect diversity, provide a working environment that enables our associates to utilize their talents and abilities to the fullest, and give them great opportunity through challenging work assignments</li> <li>Provide our associates with fair, attractive financial rewards</li> </ul>	<ul style="list-style-type: none"> <li>Build systems and environments in which diverse human resources can demonstrate their abilities</li> <li>Support employees with disabilities by selecting "work and life consultants," who provide advice and other assistance for employees with disabilities, from among employees in respective factories</li> <li>Establish various systems, including homeworking and family-care leave systems, to support the work-life balance of employees</li> <li>Institute a target management system to provide fair evaluation and compensation</li> <li>Establish talent development systems, such as manager development and trainee programs</li> </ul>

## Brother Group's CSR

# CSR Targets of the Brother Group

## Establishing Long-term Trusting Relationships with Our Stakeholders

### Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Business partners	<ul style="list-style-type: none"> <li>Act fairly with business partners and build strong, respectful working relationships for mutual growth</li> </ul>	<ul style="list-style-type: none"> <li>Make the Brother Group's "Procurement Policy" and "CSR Procurement Standards" publicly available to share the group's CSR procurement concept with suppliers</li> <li>Conduct CSR questionnaires with suppliers and make improvement requests and on-site inspections based on the results of the questionnaires</li> <li>Recognize outstanding CSR efforts by suppliers</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Effectively utilize capital from shareholders to drive sustainable growth in corporate value and have regular, open communication</li> </ul>	<ul style="list-style-type: none"> <li>Provide the latest information to shareholders and investors through general meetings of shareholders and financial results briefings</li> <li>Hold events for individual shareholders to understand the appeal of Brother's products and environmental efforts</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Share our social, economic and cultural resources in all the communities where the Brother Group operates</li> </ul>	<ul style="list-style-type: none"> <li>Globally promote social contribution activities with a sense of unity, especially focusing on eco-conscious activities and activities involving "communities" and "personal development (including employees)"</li> <li>Contribute to society through activities autonomously conducted by the group facilities in a way tailored to their local communities</li> <li>Provide support for large-scale disasters</li> </ul>

Brother Group's CSR

## CSR Targets of the Brother Group

### Establishing Long-term Trusting Relationships with Our Stakeholders

#### Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Environment	<ul style="list-style-type: none"> <li>• Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Create eco-conscious products</li> <li>• Recover and recycle consumables and products</li> <li>• Promote CO<sub>2</sub> emissions and waste reduction</li> <li>• Properly manage chemicals and discharged water</li> <li>• Implement environmental communication</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Respect the culture, rules and spirit of laws, in all countries and regions where the Brother Group operates</li> <li>• Act with the highest integrity</li> <li>• Expect our associates to be positive members of society</li> </ul>	<ul style="list-style-type: none"> <li>• Establish and strengthen governance in line with the "Brother Group Basic Policies on Corporate Governance"</li> <li>• Conduct self-assessments by respective facilities and audits by the internal audit department to check the effectiveness of internal control</li> <li>• Put the Compliance Committee and consultation centers in place and offer employees training to prevent the occurrence or reoccurrence of misconduct and enable early response to it</li> <li>• Establish a framework for information management by setting up the Group Information Management Regulation, which is compliant with the Information Security Management System (ISMS)</li> </ul>

## Brother Group's CSR

# CSR Targets of the Brother Group

### Promoting Initiatives Towards Resolving Social Challenges

The Sustainable Development Goals (SDGs) for 2030, adopted by the United Nations in 2015, has set seventeen goals to realize a sustainable world and has requested corporations to take some actions as well.

The Brother Group focuses particularly on the following priorities selected from among many social issues.

- Seek to provide innovative products and services that make our customers happy
- Continue to make efforts to help the global environment
- Continuously promote social contribution activities
- Enhance collaboration with business partners on ways to address social demands quickly

#### The SDGs related to the priorities of the Brother Group and the group's initiatives

Priority	Seek to provide innovative products and services that make our customers happy	
Goal 3	Ensure healthy lives and promote well-being for all at all ages	
	Initiative	<ul style="list-style-type: none"> <li>• Deliver products and services that can ensure people's healthy lives and promote well-being</li> </ul>
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	Initiative	<ul style="list-style-type: none"> <li>• Deliver products and services that lead to improvement of customer productivity and reduction of simple work</li> <li>• Deliver products and services that can contribute to the employment of people with disabilities, the fields of medical and welfare</li> </ul>
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
	Initiative	<ul style="list-style-type: none"> <li>• Create new businesses that will solve social problems</li> </ul>







Brother Group's CSR

# CSR Targets of the Brother Group

## Promoting Initiatives Towards Resolving Social Challenges

### The SDGs related to the priorities of the Brother Group and the group's initiatives




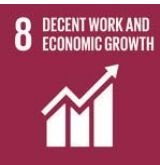

Priority	Continue to make efforts to help the global environment	
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	
	Initiative	<ul style="list-style-type: none"> <li>• Provide products and services that support eco-friendly systems for creating, storing, and utilizing electricity and heat with zero CO<sub>2</sub> emissions</li> </ul>
Goal 12	Ensure sustainable consumption and production patterns	
	Initiative	<ul style="list-style-type: none"> <li>• Promote resource circulation in the value chain</li> <li>• Evaluate water risks at business sites and promote water saving and water recycling</li> </ul>
Goal 13	Take urgent action to combat climate change and its impacts	
	Initiative	<ul style="list-style-type: none"> <li>• Promote/implement energy-saving activities (including energy generation) and reduce the use of lubricant agents containing greenhouse gases</li> <li>• Reinforce eco-conscious design of products</li> </ul>
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss	
	Initiative	<ul style="list-style-type: none"> <li>• Identify the impact of business operations on biodiversity</li> <li>• Build a system to consider biodiversity</li> <li>• Promote activities to restore/conservate the ecosystem</li> </ul>

## Brother Group's CSR

# CSR Targets of the Brother Group

## Promoting Initiatives Towards Resolving Social Challenges

### The SDGs related to the priorities of the Brother Group and the group's initiatives

Priority	Continuously promote social contribution activities	
Goal 3	Ensure healthy lives and promote well-being for all at all ages	
	Initiative	<ul style="list-style-type: none"> <li>• Conduct projects, such as the Golden Ring Project for cancer patients</li> </ul>
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
	Initiative	<ul style="list-style-type: none"> <li>• Further promote educational support for local communities</li> <li>• Provide educational support for people with disabilities</li> </ul>
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	
	Initiative	<ul style="list-style-type: none"> <li>• Provide reconstruction support to affected areas</li> </ul>
Priority	Enhance collaboration with business partners on ways to address social demands quickly	
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	Initiative	<ul style="list-style-type: none"> <li>• Strengthen CSR in the supply chain using the RBA* know-how</li> </ul> <p>*: It stands for the Responsible Business Alliance, an international organization dedicated to promoting corporate social responsibility.</p>
Goal 12	Ensure sustainable consumption and production patterns	
	Initiative	<ul style="list-style-type: none"> <li>• Comply with the laws and regulations of each country and region, and build a stronger chemical security system throughout the group</li> </ul>

## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

The below tables show main figures associated with the Brother Group's CSR.

### The Brother Group Global Charter

The Brother Group Global Charter	Established in 1999
Number of available languages	27 languages
Number of dialogues between top management and employees*	More than 2,500 times

\*: FY2018

For other information, please see "To Be Trusted by All Stakeholders."  
<https://global.brother/en/csr/brothergroup/management>

### Corporate Governance

Number of directors*	11 directors (including 5 outside directors)
Number of statutory auditors*	5 auditors (including 3 outside auditors)
Number of directors, statutory auditors and executive officers*	32 officers in total (including 2 female officers)
The Brother Group Principles of Social Responsibility	Established in 2012
Global internal audit meeting	Started in 2010
Group Information Management Regulation	Established in 2015 (The information management regulation of Brother Industries, Ltd. was established in 2008.)

\*: As of June 24, 2019

For other information, please see "Corporate Governance."  
<https://global.brother/en/corporate/governance>

### Customers

Manufacturing facilities and sales facilities	In more than 40 countries and regions	
Basic Product Safety Policies	Established in 2008	
Sales revenue*	Consolidated: 683,972 million yen	
Sales revenue by region*	Japan	18.2%
	The Americas	30.5%
	Europe	26.4%
	Asia & Others	24.9%

\*: FY2018

For other information, please see "With Customers."  
<https://global.brother/en/csr/stakeholder/customer/development>

## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

### Employees (Brother Industries, Ltd.)

Number of employees*1	Consolidated: 37,769 / Non-consolidated: 3,865
Employment rate of persons with disabilities*2	2.18%
Percentage of female managers*1	3.99% (34 female managers)
Number of employees on childcare leave*3	72 employees (including 35 male employees)
Number of employees on family-care leave*3	5 employees (including 1 male employee)
Number of employees using the short-time working system for childcare*2	177 employees (including 9 male employees)
Number of employees using the short-time working system for family-care*2	3 employees (including 0 male employees)
Number of employees on nursing care leave*2	33 employees (including 7 male employees)
Number of employees using the homeworking system*3	78 employees (including 7 male employees)
The Brother Group Health & Productivity Management Philosophy	Established in 2016
Number of occupational injuries reported at manufacturing facilities*2	20
Yearly incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	0.77
Brother Safety and Prevention Convention	Held every year since 2008

\*1: As of March 31, 2019

\*2: FY2018

\*3: This indicates the number of employees who started their leave or homeworking in FY2018.

For other information, please see "With Employees."

<https://global.brother/en/csr/stakeholder/employee/secure>

### Business Partners

Procurement Policy and CSR Procurement Standards	Established in 2008
Green Procurement	Started in 2001
Supplier meeting*	Participated in by approximately 460 companies and 900 individuals in total
CSR questionnaire	Conducted every three years since 2012

\*: FY2019

For other information, please see "With Business Partners."

<https://global.brother/en/csr/stakeholder/partner/csr>

## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

### Shareholders\*1

Financial results briefing	Held four times a year
Shareholder newsletter	Issued twice a year (The full-year newsletter is integrated with the convocation notice of a general shareholders' meeting, and the second-quarter newsletter is published only in Japanese.)
Event for individual investors*2	Held three times in total
SNAM Sustainability Index	Included for the eighth consecutive year since 2012
Health & Productivity Stock Selection Program	Recognized in 2017 and 2019
Certified Health & Productivity Management Outstanding Organization	Certified for the third consecutive year since 2017

\*1: For Brother's financial results, please see "Financial Information" in "Investor Relations."  
<https://global.brother/en/investor/financial-info>

\*2: FY2018

For other information, please see "With Shareholders."  
<https://global.brother/en/csr/stakeholder/shareholder/investor>

### Local Communities

Tokai Young Entrepreneur Seminar	Supported by Brother Industries, Ltd. since 2008
Employees' participation in the Golden Ring Project*	At 20 facilities

\*: FY2018

For other information, please see "With Local Communities."  
<https://global.brother/en/csr/stakeholder/society/global>

## With Stakeholders



The Brother Group will continue to conduct activities to gain the trust of all stakeholders through the autonomous behavior of its employees.

### With Customers

- Developing Products with "Customers First" in Mind
- Design Quality That Meets Customers' Expectations
- Sales and Service System

### With Business Partners

- Promoting CSR Procurement

### With Local Communities

- Social Contribution Activities on a Global Scale
- Social Contribution Activities in Various Regions

### With Employees

- Ensuring Diversity of Human Resources
- Supporting Diverse Work Styles
- Talent Development
- Safety, Health and Disaster Prevention
- Promotion of Health and Productivity Management

### With Shareholders

- IR Communication
- Evaluation by External Entities

With Customers

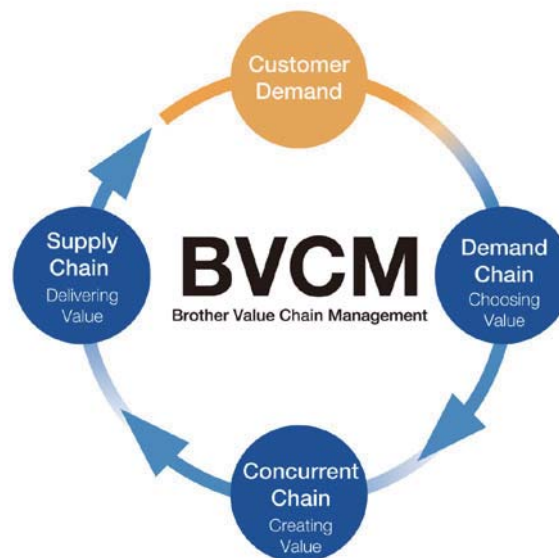
## Developing Products with "Customers First" in Mind



We Take Customer Opinions as the Starting Point of Our Business Activities and Deliver Products and Services That Meet Customer Needs

Sharing information among departments to incorporate customer needs into our products

The Brother Group practices an original management system called the "Brother Value Chain Management " (BVCM), and delivers superior products and services to customers based on the "At your side." spirit.



Brother's unique management system to respond to customer needs

In the Concurrent Chain of BVCM, the product concepts created in the Demand Chain are given a concrete shape. Product simulations and focus group testing by intended users are run again and again before and after prototyping. Through this process, we develop and design our products speedily while ensuring high product quality.

The production engineering department designs optimal production lines to deliver our products at the right time for our customers. Respective departments concurrently work toward the commercialization of products while sharing information with each other to swiftly address customer needs with our products.

With Customers

## Developing Products with "Customers First" in Mind



### Product Development That Meets Customer Needs

**Brother's efforts to listen to customers' opinions and understand their usage environments lead to products that satisfy their needs**

American customers of Brother's 4-inch thermal mobile label/receipt printers mount their printer in vehicles or wear it on their belts to print invoices and shipping labels in delivery destinations, distribution warehouses, and other work sites. These customers, therefore, expect mobile printers to be easily connected to information terminals from anywhere and to have enough robustness to withstand strong shocks and loads produced when they get in or out of a truck or carry packages.

To respond to these demands, product planners and mechanical and software developers at Brother exercised their ingenuity. In addition, to create further superior products, visits to such American customers were arranged to show them a prototype, which was nearly a finished product.

During the visits, planning, development, and quality management staff conducted, from their respective viewpoints, interviews and usage surveys with the customers and gained multifaceted information. In addition, the staff were able to recognize what they had not been able to find by themselves, such as real on-site users' unique ways of operation and challenges by observing how they operate the prototype.



Interview with customers



An employee conducting a wearability test of the prototype when getting on and off a customer's delivery truck

The staff's efforts to learn on the spot and hear the opinions of the customers until just before the end of the product development period led to generating products with new, detail-oriented values which are not shown on the catalog specifications. Such values include an operability improvement that allows users to load paper with one hand, and space created on the products to enable users to put labels for managing multiple mobile printers.

The Brother Group continuously listens to customer opinions and strives to understand work sites where its products are used in order to provide customers with value.



With Customers

## Design Quality That Meets Customers' Expectations



### To Develop Products Valued and Chosen by Customers

#### Incorporating customers' viewpoints into every aspect of products

At the Brother Group, we consider that true technical capabilities refer to the utilization of our unique technologies to create products and services that customers demand. This is because we believe that excellent technologies can provide value to people only when they are utilized in product design. Our quality control division always and closely examines our product quality standards and evaluation methods based on various information gathered from the market, such as changes in customer expectations, to meet the wide-ranging needs of customers who use Brother products in offices, factories, and homes.

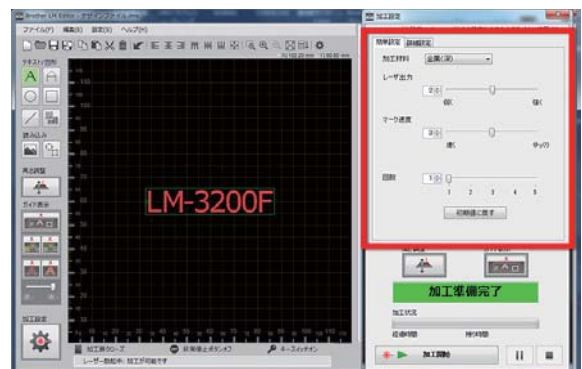
In order to offer products valued and chosen by customers, the Brother Group gives full attention and listens to customer opinions sincerely. We devote ourselves to value creation by constantly thinking about what kind of products will support customers.

### Brother Creates Products That Meet Customer Expectations

#### Laser markers that offer simplicity of use and help customers increase productivity

Laser markers are used mainly in the manufacturing industry to mark serial numbers, logo marks, and so forth on products. Many of the laser markers in the market require users not only to create text and graphic data, but also to configure advanced conditions, such as laser output and frequency, to suit the hardness and heat resistance of the material to be processed before they start marking. Brother's customers thus requested the company to develop easy-to-operate laser markers that can be used without any knowledge and experience.

In order to meet this request, Brother added a simple parameter setting function to the application software for its new laser markers. This "easy-setting" function enables users to start marking just by selecting a material and intuitively adjusting laser output and marking speed with slider bars. It leads to a shortening of the time from the preparation to the completion of a marking job, and thus contributes to helping customers improve productivity.



The "easy-setting" function that can configure marking conditions based on the material selected (in the red frame)

With Customers

## Design Quality That Meets Customers' Expectations



### Brother Creates Products That Meet Customer Expectations

#### Laser markers that offer simplicity of use and help customers increase productivity

In addition, the laser markers can fit even in a production line with limited space by adopting a detachable fiber unit. This fiber unit can eliminate the need for laser adjustment when it is reattached to the laser head because this unit itself has a laser optical axis setting function to prevent the laser optical axis misalignment caused by the reattachment. This system makes it easier for the laser markers to adapt to changes in customer situations, such as the expansion or recombination of their production lines due to business expansion and changes.



The fiber unit (right) which is removable from the laser head (left)

The Brother Group will continue to be committed to value creation to deliver products that can satisfy customers' expectations and support them.

With Customers

## Sales and Service System



### Flexibility and Cooperation Developed by Listening to Customers

**Remaining a company that can transform itself to respond to changes in the business environment**

We are facing a rapidly changing business environment, such as the diversification of business tools and markets, and changes in customers' behavior. "Flexibility" and "cooperation with business partners" are indispensable for Brother to handle these situations.

We cope with such changes by listening to customers, taking advantage of the technologies, expertise, sales channels and know-how we have developed, and working in proper cooperation with partners in the fields where we lack strength or experience.

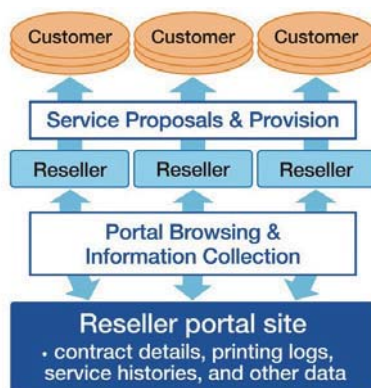
Brother aims to be able to transform itself in this way.

### Brother Cooperates with Its Resellers to Deliver More Value to Customers

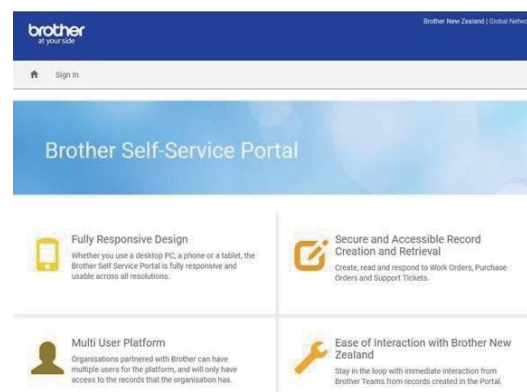
**A newly established reseller portal realizes service improvement and operational efficiency**

Brother International (NZ) Ltd. (BINZ) works with a lot of resellers to provide corporate clients with proposals to make their office printing environments much better, and maintenance services and consumables for their printers at the right time for each of them.

BINZ has launched a portal site exclusively for its resellers to help them deliver value to their customers more efficiently. This portal aggregates information and services necessary for the resellers to offer new customers proposals for improving their printing environments and to provide existing customers with enhanced value.



Process of value delivery to customers



Front page of the reseller portal

With Customers

## Sales and Service System



### Brother Cooperates with Its Resellers to Deliver More Value to Customers

#### A newly established reseller portal realizes service improvement and operational efficiency

The portal site can quickly create a service model and a contract suitable for the business type of each customer, and stores information about contract details, printing log data, service histories, and so forth. The portal enables the resellers to enhance their service quality by helping them suggest improvements in the printing environments of their customers, and to increase their operational efficiency by issuing a contract quickly with no mistakes and an invoice automatically.

The resellers using this portal appreciate that this tool, which can give a variety of information speedily, is very useful when providing proposals and services to their customers.

The Brother Group will continually collaborate with its business partners to deliver superior value to its customers.

### Brother Holds the PR Academy in Europe

#### Brother's sales companies strengthen their collaboration by sharing respective public relations and exchanging their opinions

With the aim of providing valuable information to their customers, Brother's sales facilities in Europe work in collaboration to conduct public relations activities.

Brother International Europe Ltd. (BIE), the European regional headquarters of the Brother Group, provides respective European facilities with a variety of materials, such as images, to help them publish information about how Brother's products and services can support customers and solve their problems on social media. Each facility utilizes such materials and conducts its unique public relations in a way that fits its national culture and customs.

Public relations study meetings, called "PR academy," have been held since 2008 with the purpose of further enhancing cooperation among those facilities and the quality of their information provision.

In 2018, this academy took place in the UK with the attendance of approximately 30 publicists from Brother U.K. Ltd., Brother France SAS, and the Brother Group's headquarters of Brother Industries, Ltd., and so forth.

With Customers

## Sales and Service System



### Brother Holds the PR Academy in Europe

**Brother's sales companies strengthen their collaboration by sharing respective public relations and exchanging their opinions**

This three-day academy consisted of a debrief session in which respective facilities reported on their PR activities and a training session on how to use SNS and how to deal with the media during a crisis. It also provided an opportunity for the participants to exchange their opinions, including requests to BIE.



A participant reporting on PR activities conducted by her company



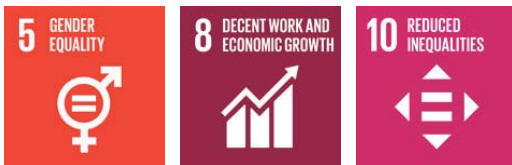
Participants exchanging their opinions

One of the participants stated that this academy was a valuable opportunity to know and learn PR activities conducted by respective sales facilities, and the training workshop, which involved collaborative work, helped strengthen cooperation among the participating publicists.

The Brother Group continues to work as a global team to deliver valuable information speedily to its customers.

With Employees

## Ensuring Diversity of Human Resources



### Basic Policy on Employment and Compensation

**Building systems and environments in which diverse human resources can demonstrate their abilities**

The Brother Group delivers products and services to customers all over the world with manufacturing and sales facilities in more than 40 countries and regions, and all employees are active as members of the Brother global team on the world stage, where environments differ by ethnicity, language, culture, custom, and other factors.

The foundation for achieving this is laid out in the Basic Policies of the Brother Group Global Charter (Global Charter), which stipulate that "the Brother Group respects diversity and provides a working environment that enables our associates to utilize their talents and abilities to the fullest, and also gives them great opportunity through challenging work assignments and provides them with fair, attractive financial rewards." The Codes of Practice in the Global Charter also set forth that "we must always honor individuals and diversity, and act with trust and respect." According to these principles, the Brother Group companies aim to eliminate all forms of discrimination based on race, nationality, religion, belief, gender, educational background, age, disability, or anything else, in hiring, evaluation and promotion and also prohibit child or forced labor. The management and employees of the Brother Group will work together to comply with related regulations and rules, respect respective cultures and customs, evolve the group's personnel system in line with the Global Charter, and continue to improve the workplace environment.

**Introducing a target management system to provide fair evaluation and compensation**

The Brother Group has a system that fairly and impartially evaluates employees based on their motivation, abilities and achievements and reflects the evaluation results to their compensation. Brother Industries, Ltd. (BIL), for example, assesses its general employees in a way that highly satisfies them, using a target management system with clear criteria. Each employee receives the results of the evaluation of his/her performance and is subsequently informed of the reasons in a meeting with the supervisor. This approach, which helps employees review their own performance and raise their motivation to advance toward new challenges, has been contributing to human resource development. BIL uses the annual salary system for its employees in management positions.

With Employees

## Ensuring Diversity of Human Resources



### To Ensure Diverse Human Resources

#### Promoting the appointment of women in managerial positions

The proportion of female managers among all managers differs between the Brother Group companies because the history of women's social advancement and their lifestyles and main occupations vary depending on countries and regions. However, women are active in many group facilities.

#### Numbers and percentages of female managers in the Brother Group

Company [Country]	March 2018		March 2019	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	31	3.7%	34	4.0%
Brother Sales, Ltd. [Japan]	2	2.3%	2	2.2%
Brother Technology (Shenzhen) Ltd. [China]	43	33.3%	42	32.8%
Zhuhai Brother Industries, Co., Ltd. [China]	19	61.3%	20	57.1%
Brother Machinery Xian Co., Ltd. [China]	4	12.9%	4	22.8%
Brother International Corporation (U.S.A.) [U.S.A.]	76	40.2%	90	38.8%
Brother International Europe Ltd. [U.K.]	8	16.0%	7	15.2%
Brother U.K. Ltd. [U.K.]	15	37.5%	14	33.3%
Brother (China) Ltd. [China]	7	25.0%	8	25.8%
Brother International GmbH [Germany]	5	15.6%	7	21.2%
Brother France SAS [France]	12	37.5%	11	34.4%
Brother Industries (Vietnam) Ltd. [Vietnam]	37	34.6%	45	35.4%

With Employees

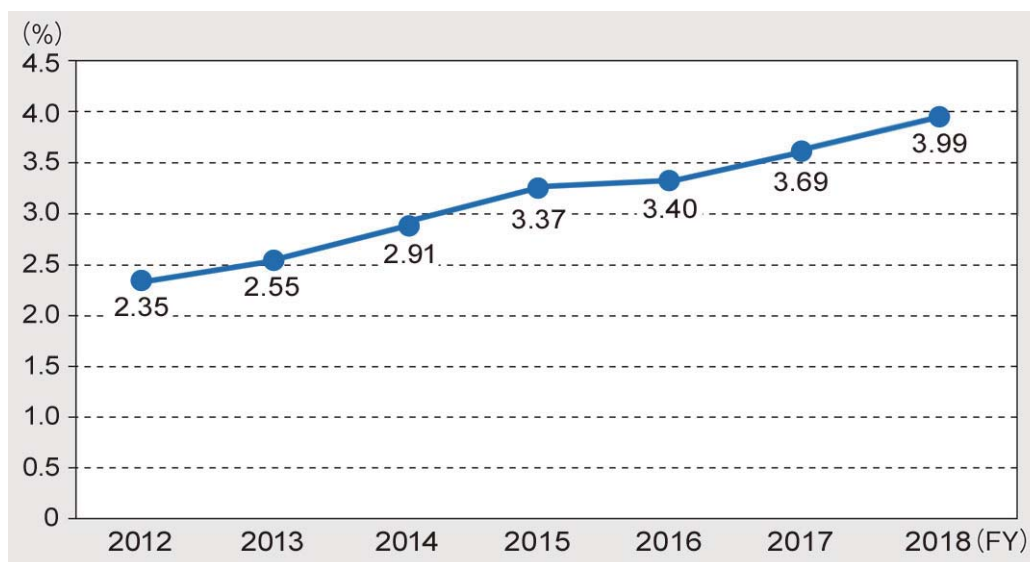
## Ensuring Diversity of Human Resources



### To Ensure Diverse Human Resources

#### Promoting the appointment of women in managerial positions

Changes in the percentage of female managers (Brother Industries, Ltd.)



#### Promoting employment and support for persons with disabilities

At BIL, employees with disabilities are working actively in the occupations and workplaces that suit their aptitudes and abilities.

In Japan, companies beyond a certain scale are required by law to ensure a certain percentage of their total workforce is comprised of persons with disabilities. In FY2018, the employment rate of persons with disabilities at BIL was 2.18%, which was below the statutory employment rate of 2.2%. BIL will continue to employ persons with disabilities and help them exercise their full potential in their workplaces.



With Employees

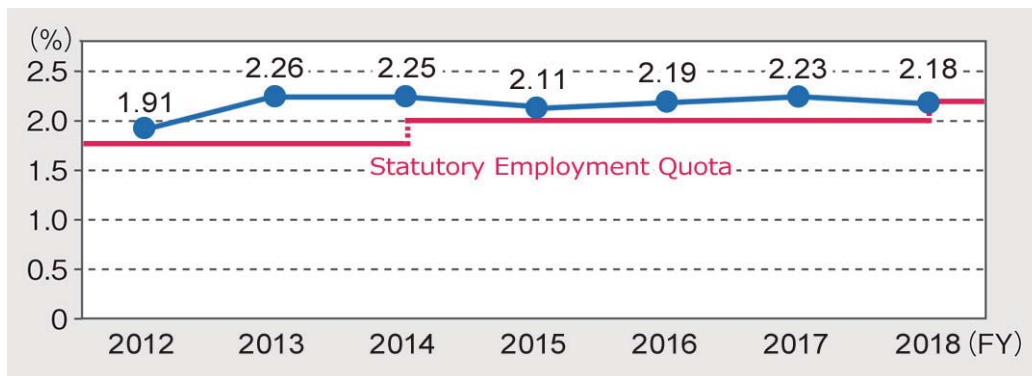
## Ensuring Diversity of Human Resources



### To Ensure Diverse Human Resources

#### Promoting employment and support for persons with disabilities

Changes in the employment rate of persons with disabilities (Brother Industries, Ltd.)



BIL is continuously committed to its policy of building a workplace environment where employees, with or without disabilities, can deepen mutual understanding, strengthen collaboration among them, and maximize their abilities based on "Trust and Respect" stipulated in the Codes of Practice of the Global Charter.

To respond to legal changes, such as the revision of the "Act for Promotion of Employment of Persons with Disabilities," BIL has been providing employees with e-learning programs that teach the outlines and concepts of laws and workshops by the Brother Group employees who serve as job coaches to facilitate specific actions. In addition, BIL selects work and life consultants for disabled people, who provide advice and other support for employees with disabilities, from among employees in respective factories, and provides those consultants with a continuing educational program by an external teacher. In such ways, BIL builds a system that enables the entire workplace to understand and support employees with disabilities.

With Employees

## Supporting Diverse Work Styles



### To Promote Diversity

The Brother Group has been supporting diverse ways of working to enable employees to choose their own lifestyle, given laws in each country and region, labor environments and personal situations. We have been committed to promoting diversity by reinforcing in-house systems and reforming employees' consciousness, with the goal in mind that the right personnel, who are excellent in ability, personality, talent and behavior, will be placed in the right positions across national boundaries and lead the Group.

In recognition of its efforts, Brother Industries, Ltd. (BIL) has been certified by Japan's Ministry of Health, Labour and Welfare, and the Aichi prefectural and the Nagoya city governments as an enterprise responding to diverse ways of working by promoting the success of women and providing support for child-rearing and so forth.

### Activities to Support the Success of Women

#### Implementing measures to promote the advancement of women as one of the challenges in diversity management

BIL has been proactively supporting women's careers by formulating the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," adopting telecommuting, and providing lectures by experts. BIL has also been posting the career profiles of its female managers on the intranet and been holding internal small-group discussion meetings called the "Career Community" to respond to a request from employees to share the careers of those who serve as in-house role models. The Career Community has covered various themes, including the balance between work and child-rearing for men, and served as a place for participants to exchange their opinions and develop a network of internal contacts.



Career Community

## With Employees

# Supporting Diverse Work Styles



## Activities to Support the Success of Women

### Implementing measures to promote the advancement of women as one of the challenges in diversity management

Furthermore, in response to the opinion that employees need to have experience working abroad in order to shape their careers, BIL in FY2017 expanded its conventional trainee program designed for young employees to have a chance to work abroad, to include a newly-established overseas dispatch program for administrative employees in their third or fourth year of employment. With these initiatives that offer OJT and opportunities to gain extensive experience in overseas group facilities, BIL has been helping its employees become more active in the future. BIL will remain committed to creating a pleasant working environment for all employees, regardless of gender, to realize the diversification of working practices in terms of diversity management and work-life balance.



**Voice of an employee who joined the trainee program:  
Involving relevant people in pursuit of a common goal and getting  
extensive learning and insight through trial and error**

**SOHO and Emerging Country Business Development Dept., Printing &  
Solutions Business Division, Brother Industries, Ltd.  
Asami Tabuchi**




In my fifth year of employment, I worked as a trainee at the regional headquarters for Europe in the UK during the three months from January 2018. I was able to gain the valuable experience of promoting the launch of a new service with staff working close to customers in the sales field. Realizing that perspectives and opinions vary from position to position, I considered how to involve relevant people of different positions to pursue a common goal. After much trial and error, I gained a lot of learning and insight. I would like to make use of this experience and address more challenging assignments in the future.

## With Employees Supporting Diverse Work Styles



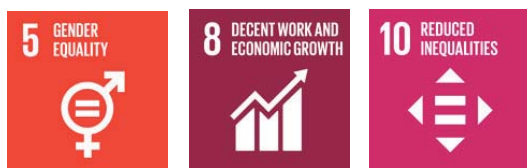
### Activities to Support the Success of Women

#### Main measures

<p>FY 2016</p>	<ul style="list-style-type: none"> <li>• Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees</li> <li>• Organized a cancer seminar for women</li> <li>• Held an external lecture by the president on the success of women</li> <li>• Held a networking event with other companies to consider women's careers</li> </ul>	 <p>External lecture by the president at the time</p>
<p>FY 2017</p>	<ul style="list-style-type: none"> <li>• Formulated policies for the success of women at respective departments</li> <li>• Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees</li> <li>• Offered female employees career support training and career consultations with an external specialist</li> </ul>	 <p>Career Community</p>
<p>FY 2018</p>	<ul style="list-style-type: none"> <li>• Held a lecture for managers by one of the lieutenant governors of Aichi Prefecture</li> <li>• Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees</li> <li>• Started leasing tablet devices to employees who would like to access to BIL's internal information during childcare or family-care leave</li> <li>• Opened the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work</li> <li>• Provided career counseling by an external specialist for female employees</li> </ul>	 <p>Childcare Leave Cafe</p>

With Employees

## Supporting Diverse Work Styles



### Supporting Work-Life Balance

Enhancing systems and creating an atmosphere that encourages the utilization of them

BIL has established various systems to support the work-life balance of its employees, including flextime, childcare or family-care leave, short-time working, and nursing care leave systems, so that they can continue working vigorously with no anxiety.

Since FY2011, BIL has held seminars to consider how to strike a balance between work and family care in preparation for the arrival of an age with serious family-care problems in the near future. Managers, in particular, are required to participate in these seminars to gain information that helps them prepare for the risks associated with their subordinates' family-care.

In FY2015, BIL started adopting telecommuting for employees engaging in childcare or family care, thereby allowing them to more flexibly choose the way they work. Meanwhile, based on opinions from employees, BIL has been focusing on making those systems much easier to use and creating an atmosphere that promotes the understanding of them within the company.

In FY2016, BIL held a cancer seminar for women in order to help female employees have accurate cancer knowledge and continue to work vigorously for long years, and also launched the "Career Community," composed of theme-based round-table talks by BIL's senior employees. These were held during work hours to allow employees to attend easily.



Cancer seminar for women

## With Employees Supporting Diverse Work Styles



### Supporting Work-Life Balance

#### Number of employees who used BIL's systems\*1

	FY2016	FY2017	FY2018
Childcare leave*2	60 (17)	61 (19)	73 (35)
Family-care leave*2	5 (3)	3 (1)	5 (1)
Short-time working for childcare	153 (5)	156 (6)	177 (9)
Short-time working for family-care	2 (1)	2 (1)	3 (0)
Nursing care leave	31 (8)	31 (9)	33 (7)
Homeworking	41 (8)	57 (6)	78 (7)

\*1 : The numbers in the parentheses indicate those of male employees

\*2 : The number of those who started using the system in each fiscal year



**Voice of an employee who is utilizing the homeworking system:  
Always staying connected to my office through the web conferencing system "OmniJoin" and working while communicating with my colleagues**

**Design Dept., Marketing Strategy Center, Brother Industries, Ltd.  
Jun Komura**

I have been working at home twice a week. With the web conferencing system "OmniJoin" always connected to my office, I have been able to carry out my work while communicating with my colleagues. I can participate in team meetings at home as if I were in the office. The homeworking system has enabled me to strike a work-life balance by allowing me to do household duties during work breaks and to take time off from work to care for my child when he suddenly gets sick.

With Employees

## Talent Development



### Pursuing the Development of Globally Competent Human Resources

**Respecting the diversity and individuality of employees and developing globally-minded human resources capable of delivering superior value**

As stated in the "Our Associates" section of the Brother Group Global Charter, the Brother Group gives priority to:

- (1) respecting diversity;
- (2) enabling our associates to utilize their talents and abilities to the fullest; and
- (3) giving them great opportunity through challenging work assignments.

At the Brother Group, we believe that talent development tailored to individual countries, regions, and business segments and the upgrade of relevant systems lead to helping employees fully use their talents and skills over a long period of time. Based on this idea, we are committed to creating a better talent development environment and building various systems.

As part of such efforts, we have been providing various programs, including a career design program for employees at milestone ages to review their experiences and changes in their environments and visualize their future visions, a training course to nurture managerial talent at our facilities outside Japan, and an overseas dispatch program designed for young employees to gain experience in multiple countries at an early stage of their careers.

In addition, in FY2017, we started one-on-one meetings between supervisors and subordinates in Japan and has been expanding this initiative gradually to involve more and more employees.

The Brother Group will continue to foster human resources on a global scale and in a well-planned, long-term manner.

## With Employees Talent Development



### Brother Develops Talent Who Can Tackle Global Business Challenges

Employees develop a broad perspective and high expertise through various experiences

Since FY2008, the Brother Group has conducted the "trainee program," a training program that sends trainees from Brother Industries, Ltd. (BIL) to the group companies outside Japan and vice versa, aiming to foster talent who have a broad vision, high expertise, and the ability to respond to global business challenges.

This training is designed for young employees selected based on Brother's talent development plan to receive on-the-job training ranging from three months to two years in line with the training plans formulated beforehand by both their dispatchers and receivers. The initial focus of this program was to provide trainees with training associated with their area of expertise. However, in FY2015, it started offering training to help trainees gain new knowledge through experience outside their specialty. Such training, for example, includes giving an opportunity for developers to visit customers with sales persons to directly listen to the needs and usage conditions of the customers. In FY2018, the program also started short-term training for engineers in their twenties to learn at manufacturing or repair sites outside Japan for one month.

In this way, the Brother Group gives developers and engineers opportunities to learn other work than their own, and thus strives to develop human resources who can promote the "Brother Value Chain Management," Brother's unique management system to deliver superior value to customers.

In FY2018, BIL sent 50 trainees to the group companies in Germany, Indonesia and so forth while it received 12 trainees from the group companies in the Philippines and China. A software developer, who was in his ninth year in BIL, was dispatched to Brother Commercial (Thailand) Ltd., one of the group sales facilities, to gain a deeper understanding of customer perspectives. There, he experienced actual sales sites, visiting customers with sales persons and listening to their needs and providing after-sales support. Through this experience, he was able to learn the necessity for quick and accurate response.

The Brother Group will remain committed to fostering globally-minded human resources who can deliver superior value.



The software developer demonstrating a new solution



With Employees

## Talent Development



### Brother Develops Talent Who Can Tackle Global Business Challenges

Employees develop a broad perspective and high expertise through various experiences



**Comment from an employee who participated in the trainee program**  
Customer visits help me know their real challenges

**Software Technology Development Department, Brother Industries, Ltd.**  
Ryohei Ozawa

During the three months I was at the sales company of the Brother Group in Thailand and provided technical support as a developer, I learned the marketing methods of the products developed in Japan and the challenges faced by customers. Based on the information gained from my customer visits, I discussed with local staff members on how to support customers with the solutions developed in Japan. This experience at the forefront of sales activities led me to many discoveries, which I could not make just through doing my work in Japan.

Since I came back to Japan, I have been working towards developing products that meet customer expectations by specifically visualizing the true nature of challenges faced by customers, the strategies of Brother's sales companies, and ease of access to after-sales support based on these experiences and discoveries.

## With Employees Talent Development



### One of Brother's Chinese Manufacturing Facilities Wins the "Good Factory Award"

#### Talent development based on coordinated systems and the voluntary actions of employees

Brother Machinery Xian Co., Ltd. (BMX), a manufacturing facility for Brother's machinery business, received the "Good Factory Award" from Japan Management Association. This award recognizes factories that are committed to internal renovation, such as productivity or quality improvement, in Japan and Asia. BMX was awarded in recognition of its talent development efforts to become a factory trusted by its customers, such as company-wide education, the development of next-generation leaders, and voluntary study sessions at each worksite.

The company-wide education includes a program that provides skills necessary for each job position. Seventy percent of the program is taught by employees who have already acquired the skills. This approach enables the employees who serve as instructors to exercise their ingenuity to teach their students in a comprehensive way and also to improve their own skills.



An employee serving as an instructor and passing on his skills



Instructors checking the work of their students

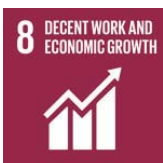
The next generation leadership training has been conducted since 2017 to foster a new generation of leaders who can work internationally. The participants of this training course, who are mainly composed of employees in their 30s, select their individual themes from the challenges their workplaces face and work to solve them. The participants not only pursue their goals but also learn important perspectives as leaders for the next generation while reviewing their actions that have produced good results and their ideas behind the actions.

The study sessions are organized by employees on a voluntary basis to share their know-how in their respective workplaces. Including this, at BMX, employees act autonomously in a variety of ways to enhance productivity and their skills.

The Brother Group will continuously develop globally competent human resources who can deliver superior value.

With Employees

## Safety, Health and Disaster Prevention



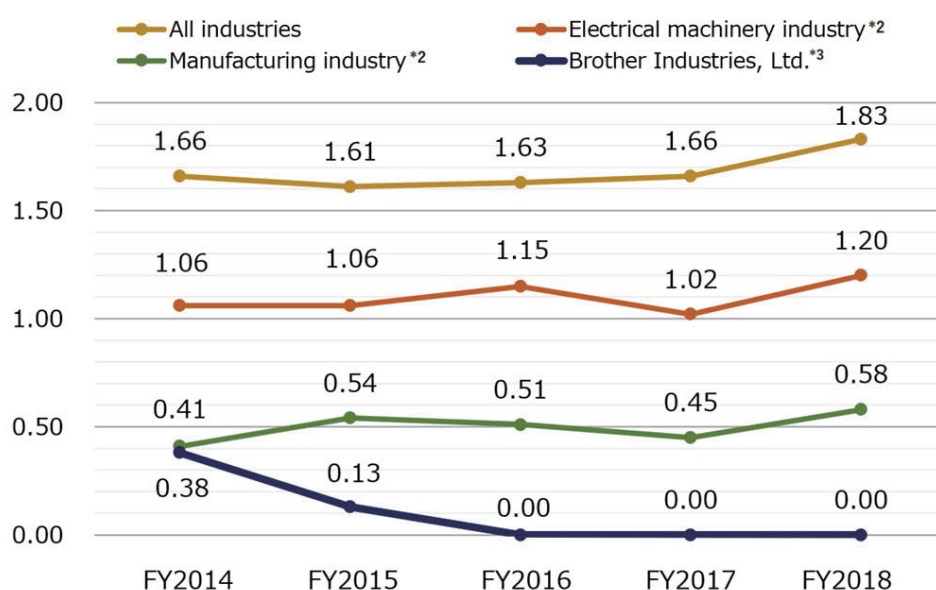
### Building a Structure for Safety, Health and Disaster Prevention

#### Promoting various activities based on the "Basic Safety and Disaster Prevention Policy"

The Brother Group's Basic Safety and Disaster Prevention Policy stipulates: "'Safety first' shall be the cornerstone of all operations. We shall try to create a comfortable working environment that allows all our associates to feel safe and work in good health. Safety culture shall be established at the same time." In accordance with this policy, the Brother Group is committed to preventing disasters, injuries, and illnesses among employees and to creating a comfortable workplace under the leadership of the Central Safety, Health, and Disaster Prevention Committee, which is chaired by the safety, health, and disaster prevention officer of Brother Industries, Ltd. (BIL) and composed of the officers of the respective group facilities in Japan.

At each group facility in Japan, the chairperson of the Central Safety, Health, and Disaster Prevention Committee and the members of the Safety, Health, and Disaster Prevention Committee of each facility conduct regular patrols to check health and safety conditions and disaster preparedness in workplaces. There were no lost-time injuries reported at BIL's main facilities in Japan during three years from FY2016 to FY2018.

Frequency rate of lost-time injuries\*1



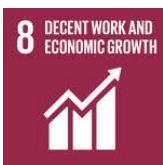
\*1 : Number of deaths and injuries from work-related accidents/Number of working hours x 1,000,000

\*2 : Source: Survey on industrial accidents provided by the Ministry of Health, Labour and Welfare of Japan

\*3 : BIL's main facilities in Japan

With Employees

## Safety, Health and Disaster Prevention



### Building a Structure for Safety, Health and Disaster Prevention

#### Promoting various activities based on the "Basic Safety and Disaster Prevention Policy"

To ensure safety and health, BIL annually provides risk prediction training, safety and health education, and so forth based on the plans of the respective facilities. The education includes e-learning courses designed for all BIL employees and programs tailored to those engaged in chemical handling and other special operations. In addition, employees who drive company cars are required to receive both permission to drive from the company and traffic safety training.

Regarding preparation for disasters, BIL has been making efforts to minimize damage caused by possible disasters at its respective facilities. Such efforts include the consolidation of disaster prevention organizations, evacuation drills, initial firefighting training, and lifesaving training using an AED (automatic external defibrillator), and the legal inspection of fire protection equipment.

In 2007, BIL concluded a memorandum of understanding on support and collaboration in the event of a large-scale disaster with its local community through the mediation of a local administrative body. In addition, since 2014, BIL has been conducting evacuation drills jointly with a neighboring nursery school with which BIL signed a memorandum.

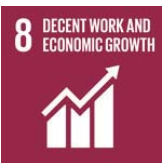
Since 2016, BIL has been conducting training for setting up a disaster headquarters at its head office. In March 2019, this training was conducted with the president serving as chief of the established headquarters and the general managers of BIL's departments and the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department serving as members of the headquarters. Simulating the aftermath of the predicted Nankai Trough Earthquake, they conducted an exercise, which ranged from information collection, such as the number of injured employees and the extent of building damage, to the issuance of instructions by the headquarters' chief to address critical issues.



The disaster headquarters set up in the training

With Employees

## Safety, Health and Disaster Prevention



### Promoting Safety, Health and Disaster Prevention Activities on a Global Scale

#### Information sharing and risk visualization

At the Brother Group's main manufacturing facilities outside Japan, the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department, which acts as the secretariat of the Central Safety, Health, and Disaster Prevention Committee, conducts regular patrols and audits to increase the level of safety, health and disaster prevention and develop local staff at the respective facilities.

The Brother Group shares information about occupational accidents occurring in its main manufacturing facilities in and outside Japan on its intranet, and thus making available information about such accidents and countermeasures against them at all group facilities. Each facility applies these countermeasures to its workplaces in order to prevent the same or similar accidents from occurring.

The group annually holds the Brother Safety and Prevention Convention in Japan and honors overseas manufacturing facilities which have implemented excellent safety and disaster prevention activities and presents such activities to facilitate information sharing among the group facilities.

Since FY2017, the group has been engaged in an effort to make the degree of the potential hazards of equipment used in its production sites obvious at a glance. In this effort, the degree of the hazards of such equipment is visualized if it is judged to have residual hazards above a certain level even after safety measures based on a risk assessment are taken.

In December 2017, the Brother Group established the "Regulations of system and control for disaster prevention of the Brother Group" to ensure the safety of employees and workplaces when a fire breaks out. These regulations are composed of three sections: (1) "fire prevention management" to take precautions against fires; (2) "firefighting management" to minimize damage from fires; and (3) "personal safety management" to ensure the safety of employees. The Brother Group will apply these regulations to its main factories outside Japan sequentially.

With Employees

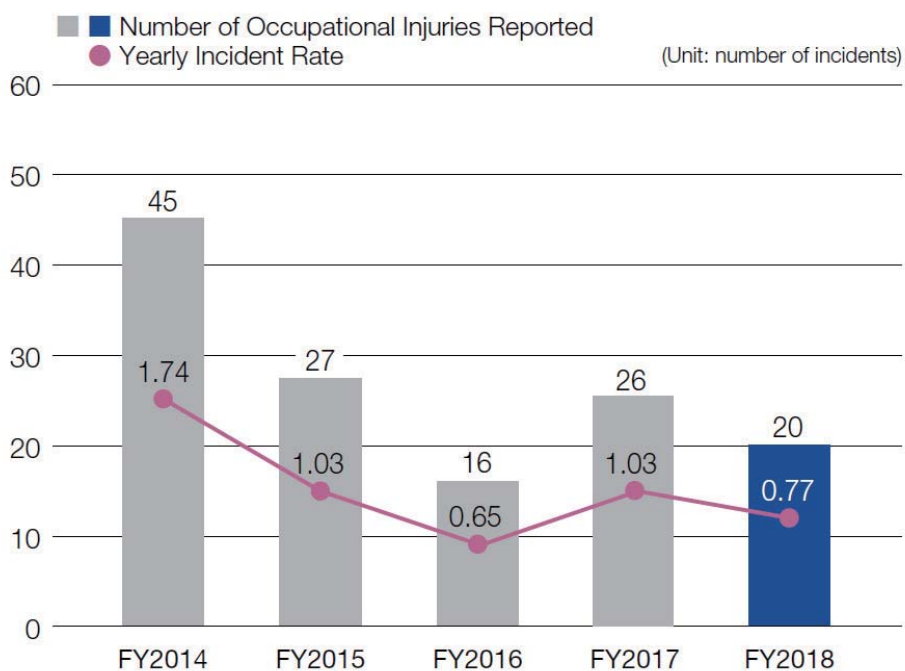
## Safety, Health and Disaster Prevention



### Promoting Safety, Health and Disaster Prevention Activities on a Global Scale

#### Information sharing and risk visualization

Number of occupational injuries reported and yearly incident rate at main manufacturing facilities outside Japan (lost-time injuries and non-lost time injuries)



Incident rate: (number of occupational injuries/number of employees) x 1,000

The Brother Group will actively continue to promote safety, health and disaster prevention activities, aiming to achieve zero accidents and provide employees with a safer and securer working place.

With Employees

## Promotion of Health and Productivity Management



### Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

#### Establishing a framework for promoting health and productivity management

The Brother Group aims to create superior value through manufacturing and deliver products and services to customers around the world. With this purpose in mind, all group employees are working every day on a global stage.

As stipulated in the Brother Group Global Charter, the basis of such activities, the Brother Group values taking care of the health of every employee so that they can strive to achieve their goals, and ultimately, contribute to the group's success.

In September 2016, Brother Industries, Ltd. (BIL) established the Brother Group Health & Productivity Management Philosophy. Under this philosophy and the leadership of the Chief Health Officer (CHO), the Brother Group has been strategically undertaking various activities.

#### Brother Group Health & Productivity Management Philosophy

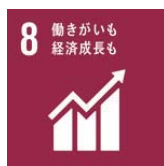
The Brother Group considers the physical and mental health of every employee as an important "asset," and thinks demonstrating various capabilities "positively, pleasantly and powerfully" leads to the Group's growth.

Every employee's health is the basis of the Brother Group's continued development and responds to the needs of society, such as extension of healthy life expectancy. To realize health and productivity management, the Company, labor union, and health insurance association collaborate and strategically strive to maintain and promote employees' health.

Brother Industries, Ltd.  
Representative Director & President  
Chief Health Officer  
Ichiro Sasaki

With Employees

## Promotion of Health and Productivity Management

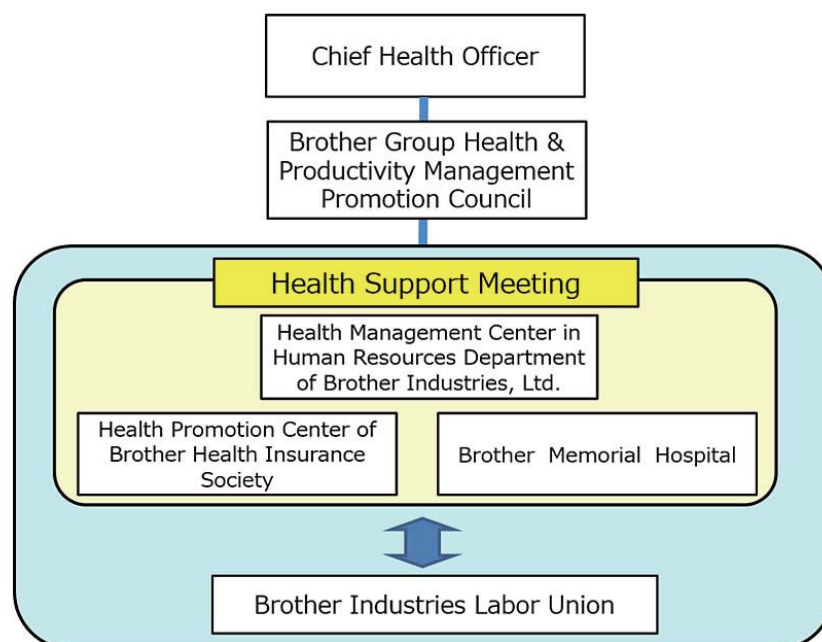


### Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

#### Health & Productivity Management Promotion Structure

BIL has established the Health Management Center, which manages the health of the Brother Group employees, develops mental health measures, and promotes good health. It has been offering effective and efficient approaches to maintaining and promoting the health of employees while implementing the PDCA cycle and cooperating with the Brother Health Insurance Society and the Brother Industries Labor Union. Meanwhile, the Brother Group facilities in respective countries and regions have been employing industrial doctors or working with medical institutions to maintain and improve the physical and mental health of employees.

#### Brother Group Health & Productivity Management Promotion Structure





With Employees

## Promotion of Health and Productivity Management



### Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

#### Health & Productivity Management Promotion Structure

##### Brother Group Health & Productivity Management Promotion Council

The Brother Group Health & Productivity Management Promotion Council, composed of the safety and health managers at BIL and the group companies in Japan, holds an annual meeting to identify issues about employee health and decide on action policies and targets for the next fiscal year and beyond. At the meeting, activities by the Brother Health Insurance Society and excellent activities by the group companies are reported. In this way, the meeting serves as an opportunity to share information on effective and efficient activities.

In FY2018, the council launched an awards program to perform a comprehensive evaluation of efforts in health and productivity management and honor group companies that have achieved excellence in such efforts as "healthy companies" with the CHO awards. Since then, the council has recognized outstanding group companies through this program.

##### Health Support Meeting

The Health Support Meeting is jointly organized by BIL's Health Management Center, the Health Promotion Center of the Brother Health Insurance Society, and Brother Memorial Hospital. It decides specific activities to achieve numerical targets, discusses implementation methods, and evaluates the results based on the policies set by the Brother Group Health & Productivity Management Promotion Council, and also organizes collaborative events with the Brother Industries Labor Union.

With Employees

## Promotion of Health and Productivity Management



### Approaches for Maintaining and Improving Mental and Physical Health

#### Aiming to maintain and improve the health of employees in the entire Brother Group

The industrial physicians and health nurses of BIL's Health Management Center visit some group facilities every year. In FY2018, they visited three manufacturing facilities; Brother Industries (Vietnam) Ltd., Brother Machinery Vietnam Co., Ltd., and Brother Industries Saigon, Ltd., and one sales company; Brother International (Vietnam) Co., Ltd.

During the visit, they held health interviews with employees seconded from BIL and their families and mental health seminars for them, gathered opinions about living environments, and visited medical institutions located near the facilities. They also exchanged information with firms providing medical support services to seconded workers, such as hospital appointment/interpretation services and support for severe diseases.

#### Mental health: preventing disorders, detecting them at an early stage, and supporting employees to return to work

BIL has been continuously providing mental health education to its employees since 2007 with the aim of helping them become aware of their own stress and take appropriate measures against it (primary prevention) and helping superiors identify and support their subordinates suffering from incipient mental disorders (secondary prevention). The company also helps employees who have developed mental disorders continue to work in their own ways, assisting such employees to return to work (tertiary prevention) in collaboration with their workplaces.

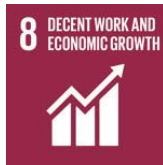
All employees are required to take self-care training, which is designed for primary prevention, every five years. The training gives participants an opportunity to learn from the actual case examples and think about how to control their health and cope with their stress.



Self-care training

With Employees

# Promotion of Health and Productivity Management



## Approaches for Maintaining and Improving Mental and Physical Health

**Mental health: preventing disorders, detecting them at an early stage, and supporting employees to return to work**

In accordance with the amendment of the Industrial Safety and Health Act, BIL instituted a stress check system in FY2014. Since FY2017, the results of the conducted stress survey have been analyzed on a per-department basis to assess the health risks of each department. The risk results are reported from industrial physicians and health nurses to managers in all departments so that each department can recognize its own stress-related issues. Subsequently, each department, mainly with its general manager, considers and implements measures for improving its working conditions. In FY2018, BIL held a seminar designed to improve workplace communication for managers whose departments scored below a certain level on the stress survey. In addition, the company carried out initiatives dedicated for communication improvement, such as the publication of departmental wall newspapers.



Wall newspaper

With Employees

## Promotion of Health and Productivity Management



### Approaches for Maintaining and Improving Mental and Physical Health

**Physical health: conducting health promotion activities, curbing passive smoking, and providing quit-smoking support**

BIL's Health Management Center designates every October and November as the "Brother Healthy Life Months" and is engaged in various efforts in cooperation with the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department, the Brother Health Insurance Society, and the Brother Industries Labor Union.

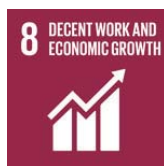
In FY2018, with the aim of ensuring better sleep quality, the center launched a sleep improvement scheme and carried out various initiatives, including measurement of sleeping quality with a wearable device, use of relaxing sleep music apps, and screening for sleep apnea syndrome. In addition, many employees took an e-learning course provided by the center.



Notice of Brother Healthy Life Months

With Employees

## Promotion of Health and Productivity Management



### Approaches for Maintaining and Improving Mental and Physical Health

**Physical health: conducting health promotion activities, curbing passive smoking, and providing quit-smoking support**

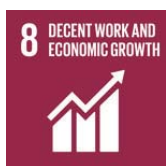
As for measures to prevent passive smoking, smoking in any of BIL buildings has been prohibited since FY2016, and smoking during working hours has been thoroughly prohibited since FY2018. As part of its increased efforts to help employees discontinue smoking and decrease the smoking rate among them, the center provided optional lung screening for smoking employees whose Brinkman index score (the number of cigarettes smoked per day x smoking years) was 400 and more. In addition, the center has been offering smoking cessation education for each age group and workplace.

The poster is titled "ブラザー工業・ブラザー健康保険組合合同企画" (Brother Industry & Brother Health Insurance Association Joint Plan) and "喫煙者への健康サポート 肺検診サービス" (Health Support for Smokers Lung Screening Service). It features two images: a CT scan showing a lung nodule (left) and a chest X-ray (right). Text explains the benefits of CT scans over X-rays for early detection of small nodules. A table lists the service details: "受診無料" (Free consultation), "日程" (Schedule: May-June 2018), "対象者" (Target: Employees meeting certain conditions), "場所" (Location: Brother Memorial Hospital), and "結果返却" (Result return: From specialist). It also includes contact information for the health management center.

Poster of lung screening

The Brother Group will remain committed to maintaining and enhancing the physical and mental health of employees.

## With Business Partners Promoting CSR Procurement



### Promoting CSR Procurement with Suppliers

#### The Brother Group publishes its "Procurement Policy" and "CSR Procurement Standards"

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available to share its CSR procurement concept with parts and materials suppliers. These policy and standards cover a wide range of fields, including human rights and labor, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution.

The Brother Group remains committed to promoting CSR activities together with its suppliers.

#### Procurement policy

- The Brother Group acts fairly with all suppliers.
- The Brother Group respects the rules and spirit of laws in all countries and regions where we operate, and builds strong, respectful working relationships with suppliers for mutual growth.
- The Brother Group promotes environmentally friendly "green procurement," and reduces impact on the environment through the lifecycle of its products.
- The Brother Group places our customers first everywhere, every time, while remaining committed to delivering high quality products and services at reasonable costs.
- The Brother Group considers issues concerning conflict minerals\* as very important matters, and will take proactive approaches toward responsible procurement of minerals.

\* : Conflict minerals are minerals unrightfully mined in a conflict zone. Trading of conflict minerals helps finance armed groups and results in human right violations, labor maltreatment, environmental destructions, etc. in the areas, which has been plagued by regional conflict.

#### CSR procurement standards

The Brother Group procures products and services from business partners that:

- respect fundamental human rights of all people, and do not enforce unfair labor practices and illegal labor of children.
- ensure the safety and health of employees and act to create a safe and comfortable working environment.
- take proactive measures to protect the global environment.
- respect the rules and spirit of laws, and act fairly with the highest integrity.
- work on building a framework for delivering safe, high quality products to customers.
- have a framework for managing information in place, and keep personal information and confidential information secure.
- make efforts to become a good corporate citizen, sharing our social, economic and cultural resources in all the communities.
- try to avoid using unrightfully mined minerals from conflict zones as raw materials.

▶ Japanese version of the procurement policy and standards  
<https://global.brother/ja/csr/stakeholder/partner/csr#c02>

**PDF** Chinese version of the procurement policy and standards [PDF/146KB]  
<http://download.brother.com/pub/com/cn/csr/partner/policy-cn.pdf>

## With Business Partners Promoting CSR Procurement



### Brother Is Committed to Building a Trusting Relationship with Its Suppliers

#### Brother holds the FY2019 supplier meeting and requests participation in surveys on slave (forced) labor and conflict minerals

During March and April in 2019, Brother held a supplier meeting to explain its policies for FY2019 in the countries where Brother's manufacturing facilities are located, such as Japan, China, Vietnam and the Philippines. This meeting was attended by a total of approximately 460 partner companies and 900 individuals.



Supplier meeting

Supplier meetings are held annually to explain the present status and vision of the Brother Group, and to ask participants to establish a framework that supports parts quality improvement and a stable supply of parts, strengthen their risk management structures, and comply with the Brother Group's CSR Procurement Standards. Supplier meetings held outside Japan also include awards ceremonies to recognize suppliers engaged in outstanding CSR activities.

In addition to the above sessions, the FY2019 supplier meeting included a briefing on the revision of Brother's questionnaire survey on slave (forced) labor and the legal trend and market requests behind that revision. Brother also requested smelters to participate in a survey on conflict minerals to check the use of minerals extracted from war zones.

Some participants told that the meeting helped them understand the direction of Brother's management and provided a meaningful opportunity to enhance mutual understanding and ties with Brother's purchasing staff through the interaction with them. They also commented that they would like to develop a win-win relationship with Brother by meeting required quality and deadlines.

The Brother Group aims to grow together with its suppliers while remaining committed to establishing a good relationship with them through dialogue.

## With Business Partners Promoting CSR Procurement



### Brother Promotes Its Suppliers' CSR Activities While Recognizing Their CSR Efforts and Visiting Their Workplaces

**Brother visits 41 suppliers and selects the best CSR company and four outstanding CSR companies from submitted entries**

Aiming to further promote the CSR activities of its suppliers, the Brother Group has been conducting questionnaire surveys about their CSR efforts and honoring excellent ones since 2015 at its three manufacturing factories of the Machinery business, including Kariya Factory, Brother Machinery Xian Co., Ltd., and Brother Machinery Vietnam Co., Ltd.

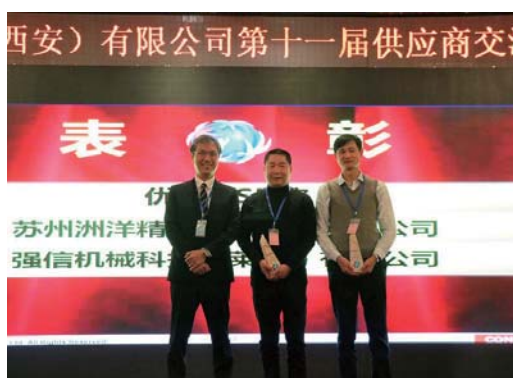
In FY2018, we visited a total of 41 suppliers in Japan, China, and Vietnam and carried out on-site inspections based on the responses in the FY2017 questionnaire survey.

At each site, we checked production process improvements, approaches for environmental protection, employee education, and so forth, and asked the suppliers who had not complied with their safety manuals or rules to improve their operations.

In addition, we invited our suppliers to submit their CSR activities and chose the best CSR company and four outstanding CSR companies from 62 entries.

Those award-winning suppliers are actively engaged in various activities, such as CSR education for their subcontractors, formulation of a BCP (business continuity plan), employment of persons with disabilities, and provision of educational opportunities for university students.

The Brother Group continually strives to develop relations of mutual trust with its business partners and grow together with them to quickly deliver superior value to customers.



Awards ceremony held in China

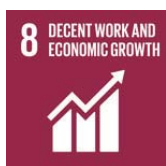


Awards ceremony held in Vietnam



With Business Partners

## Promoting CSR Procurement



### Brother Promotes Its Suppliers' CSR Activities While Recognizing Their CSR Efforts and Visiting Their Workplaces

Brother visits 41 suppliers and selects the best CSR company and four outstanding CSR companies from submitted entries

#### FY2018 award-winning companies

Best CSR award	<ul style="list-style-type: none"> <li>· Kuwana Engineering Plastic Co., Ltd.</li> </ul>
Outstanding CSR awards	<ul style="list-style-type: none"> <li>· Suzhou Zhouyang Precision Machinery Technology Co., Ltd.</li> <li>· Strong H Machinery Technology Co., Ltd.</li> <li>· Thien Quang Group JSC</li> <li>· Veam Foundry</li> </ul>

## With Shareholders

# IR Communication

### Communication with Shareholders and Investors

#### Proactive information disclosure

Brother Industries, Ltd. (BIL) is committed to building long-term trusting relationships with its shareholders and investors by continuing to provide them with timely and fair information. For shareholders, BIL provides the Brother Group's business performance reports and latest information through convocation notices of shareholders' meetings, the corporate website, and so forth. For institutional investors and securities analysts, BIL reports the group's financial results through quarterly briefings. In addition, the company actively makes investor visits and accepts interviews. In FY2018, BIL held a briefing on the Domino business for the first time in response to requests from many investors, and a briefing on CS B2021, the group's new medium-term business strategy from FY2019. Through these opportunities, the company was able to communicate with a lot of institutional investors and securities analysts.

On Monday, June 24, 2019, BIL held the 127th ordinary general meeting of shareholders at the hall of the Mizuho Factory, located in Nagoya City, with the attendance of 341 shareholders, and reported the Brother Group's business results for FY2018, the new medium-term business strategy CS B2021, and the business outlook for FY2019. All items on the agenda were approved and passed as drafted by a majority of the shareholders. This meeting was followed by a social gathering, where the shareholders talked with Brother's officers face-to-face.



The 127th ordinary general meeting of shareholders

BIL will continue to create opportunities to communicate with more shareholders and investors and actively provide information.

## With Shareholders IR Communication

### Brother Holds Events for Individual Shareholders

#### Brother introduces the appeal of its products and its environmental activities

Brother Industries, Ltd. (BIL) is committed to building a relationship of trust with its shareholders and investors, creating various opportunities to communicate with them.

In response to many requests from shareholders who participated in a questionnaire for more opportunities to better understand and communicate with Brother, BIL started holding events for individual shareholders in FY2017 and convened three events in August of FY2018.

The first event was held at BIL's Tokyo office, and the second took place at Brother Museum in Nagoya City, Aichi Prefecture, where the head office of BIL is located, to introduce Brother's manufacturing. The event at the Tokyo office and that at Brother Museum had 18 and 34 individual shareholders and families, respectively. They disassembled and reassembled "P-touch" labeling systems to understand the mechanism of the products. These "P-touch" systems were presented to the participants as souvenirs.

The third event was held at the Higashiyama Zoo and Botanical Gardens in Nagoya City, Aichi Prefecture with 29 participants. They visited the feed room, which is usually not open to the public, fed animals, and made their private tote bags with the motifs of endangered animals, and thereby deepened their knowledge of biodiversity and Brother's environmental activities.



Participants observing the liquid crystal panels of P-touch systems



Participants visiting the feed room of the Higashiyama Zoo and Botanical Gardens

Some comments from the participants included: "I think offering events that delights even children is a very good approach to increase Brother fans.", "I was able to know about Brother in this enjoyable learning event.", and "I hope Brother continuously provides this type of event that helps me feel closer to Brother."

Valuing opportunities to directly communicate with shareholders and investors, BIL will continuously convey the attractiveness of the company and its products.

With Shareholders

## Evaluation by External Entities

### The SNAM Sustainability Index

Brother Industries, Ltd. is selected as a member of the SNAM Sustainability Index for the eighth consecutive year

Brother Industries, Ltd. (BIL) was selected as a constituent of "the SNAM Sustainability Index," a unique index of Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM). BIL has been selected to join this index for eight straight years since 2012.



"The SNAM Sustainability Index," established in August 2012, selects its constituents by evaluating corporates' ESG (environment, society and governance) based on the environmental assessment provided by Sompo Risk Management & Health Care Inc. and the social and governance assessments by Integrex Inc.

This index is used to manage socially responsible investment (SRI) funds which aim to invest in equities of companies with high ESG scores, such as pension funds and funds for institutional investors.

We consider that BIL's ESG initiatives have continued to earn high recognition by SNAM, and which has led to BIL's eighth consecutive inclusion in this sustainability index since its establishment.

The Brother Group remains committed to gaining further trust from all stakeholders and achieving business growth by promoting global CSR management from a medium-to long-term perspective.

With Shareholders

## Evaluation by External Entities

### The 2019 Health & Productivity Stock Selection Program and the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program

Brother Industries, Ltd. has been recognized under the Health & Productivity Stock Selection Program for the second time since 2017 and under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for the third straight year

In February 2019, Brother Industries, Ltd. (BIL) was recognized as one of the enterprises in the Health & Productivity Stock Selection, a program jointly conducted by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). This marked the second time that BIL has been selected under this program since 2017. BIL was also certified for three consecutive years as one of the outstanding health and productivity management organizations under the Certified Health & Productivity Management Organizations Recognition Program, designed by METI and operated by the Nippon Kenko Kaigi.



The Health & Productivity Stock Selection Program recognizes exceptional TSE-listed enterprises that have been strategically managing their employees' health from a management perspective. BIL was selected for its efforts to ensure appropriate working hours and take mental health measures and so forth based on the Brother Group Health & Productivity Management Philosophy.

The Certified Health & Productivity Management Organizations Recognition Program honors organizations which particularly excel at implementing health and productivity management. In addition to BIL, ten group companies, including Xing Inc., Nissei Corporation, Betop Staff, Ltd., Brother Sales, Ltd., Brother Living Service Co., Ltd., Brother International Corporation, Brother Enterprise, Ltd., Brother Real Estate, Ltd., Brother Logitech Ltd., and Mie Brother Precision Industries, Ltd. were also certified as outstanding organizations under this program.

The Brother Group will continuously advance its strategic efforts to maintain and promote employees' health.

\* : The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization.

## With Local Communities

# Social Contribution Activities on a Global Scale



## Promoting Social Contribution Activities with a Sense of Unity Within the Whole Brother Group

**Always considering how to contribute to the communities where the Brother Group operates**

The Brother Group Global Charter stipulates that "The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates." Based on this idea, the Brother Group, together with its respective group facilities, has been globally promoting social contribution activities that further enhance a sense of unity within the entire group, especially focusing on the following two activities:

- (1) Eco-conscious activities
- (2) Activities involving "communities" and "personal development (including employees)"

The Brother Group's eco-conscious activities, which are promoted under the slogan of "Brother Earth," include creating eco-conscious products, reducing environmental impact in business facilities, supporting environmental groups, and conducting environmental conservation activities with employees.

As its activities for communities and personal development, the Brother Group, for example, has been cosponsoring the Tokai Young Entrepreneur Seminar in Japan since 2008 to assist young entrepreneurs who address local challenges. In addition, employees at various group facilities have been participating in worldwide charity activities to support cancer patients.

### Social contribution activities in different countries and regions

Category	Activity	Facility
Eco-conscious activities	Creating eco-conscious products, reducing environmental impact in business facilities, supporting environmental groups, and conducting environmental conservation activities with employees	Brother Industries, Ltd. The Brother Group's manufacturing and sales facilities in respective countries and regions
Activities involving "communities" and "personal development"	Cosponsoring the Tokai Young Entrepreneur Seminar designed to assist young entrepreneurs who address local challenges	Brother Industries, Ltd.
	Participating with employees in charity activities which aim to support cancer patients and conquer cancer	<ul style="list-style-type: none"> <li>• Brother Industries, Ltd.</li> <li>• Brother International Corporation (U.S.A.)</li> <li>• Brother International (NZ) Ltd., etc.</li> </ul>

## With Local Communities

# Social Contribution Activities on a Global Scale



## Golden Ring Project

### Globally promoting participation in charity events to support cancer patients

The Brother Group has been promoting participation in charity events to support cancer patients, aiming to conduct social contribution activities with its employees and with a sense of unity on a global scale. In 2011, the group named such activities the "Golden Ring Project," imagining a ring of support on a world map drawn by connecting the support activities conducted by respective group facilities with a line. In FY2018, employees and their families at 20 group facilities all over the world participated in this project.

Many of the facilities working on the "Golden Ring Project" have taken part in the charity event "Relay For Life." In this event, participants make donations and walk for 24 hours with their team members to increase their awareness and knowledge about cancer and encourage cancer patients. Donations raised are used for new cancer treatment/medication development, scholarships for young doctors, and so forth.

### Golden Ring Project video



\* : This video is from YouTube. (three-minute English video)  
<https://www.youtube.com/watch?v=pv82RbVc8zs&feature=youtu.be>

With Local Communities

# Social Contribution Activities on a Global Scale



## Golden Ring Project

Main facilities which joined "Golden Ring Project" in FY2018



New Zealand



China



United States (New Jersey)



United States (Tennessee)



Germany



Slovakia



United Kingdom (Manchester)



Singapore



Malaysia



United Kingdom (Wrexham)



Japan



France



Indonesia



South Korea



Brazil



Australia



Vietnam



India



Thailand



Philippines



With Local Communities

## Social Contribution Activities on a Global Scale



### Brother's Response to Large-scale Disasters

#### Collaborative support between the company and employees

The Brother Group has been working with its employees to provide support to the areas affected by large-scale disasters around the world.

Brother's main support includes the following two ways:

1. Monetary donations from the Brother Group
2. Donations and volunteer activities by employees

Monetary donations from the Brother Group companies are sent mainly to the Red Cross or NPOs as emergency assistance while donations and volunteer activities by employees are provided in a way that meets the needs of each affected area.

#### Expanded support

Brother Industries, Ltd. (BIL) has sent donations from the Brother Group employees to disaster-affected areas every year.

In FY2018, BIL expanded its scope of support to include not only Shichigahama Town, Miyagi Prefecture, where BIL has been supporting since the aftermath of the Great East Japan Earthquake, but also Onagawa Kogakukan (managed by Katariba, a NPO) in the tsunami-devastated town of Onagawa, Miyagi Prefecture and Shinsei, the Fukushima-based NPO which BIL has been supporting by donating Brother products and so forth.

Onagawa Kogakukan has been providing educational guidance and psychological care for child victims. On the other hand, Shinsei has been mainly focusing on helping the disabled victims of the Great East Japan Earthquake lead secure lives. The donations are used to support these activities.

The mayor of Shichigahama Town expressed his appreciation to BIL for its consideration to the town, saying that BIL has kindly acted as if it were the town's relative in a distant place.



Children enjoying picture books at the library which Brother has supported with donations in Shichigahama Town



Class held in Onagawa Kogakukan



Lesson on how to use the Brother ScanNCut at Shinsei

With Local Communities

## Social Contribution Activities on a Global Scale



### Brother's Response to Large-scale Disasters

#### To remember the Great East Japan Earthquake

With the aim of preventing employees from forgetting the Great East Japan Earthquake and helping them prepare for disasters, BIL held a photo exhibition for post-earthquake reconstruction assistance between November and December in 2018 and the "Tohoku lecture" in February and March 2019.

The photo exhibition showcased pictures of the current scenes of the affected areas, and the Tohoku lecture provided participants with an opportunity to listen to various experiences during and after the quake by invited sufferers. These events gave employees a chance to think about what they can do as members of society and how they should prepare for disasters.

One of the employees who attended these events said that he was impressed by the victims who acted by themselves and did not lament what they had lost. Another said that she was able to feel much closer to the affected areas and people by directly listening to their stories.



Photo exhibition



Tohoku lecture

Brother will continue to value close, warm communication with those living in the affected areas.

With Local Communities

## Social Contribution Activities in Various Regions



### Brother Supports Young Entrepreneurs Who Address Social Challenges and Community Revitalization

**Pro bono employees help entrepreneurs analyze their customer segments and formulate a strategy for trademark application**

In 2008, Brother Industries, Ltd. (BIL) started cosponsoring the "Tokai Young Entrepreneur Seminar" to assist young people who address social challenges and community revitalization through their businesses in the Tokai area, where BIL's headquarters are located. Since 2012, BIL's employees have been participating in this seminar as pro bono workers to provide their skills and experience gained from their work.

This seminar has been offering such entrepreneurs assistance in business strategy formulation, product development, and other business activities to put their businesses on a growth trajectory. It had supported a total of 41 entrepreneurs engaged in nursing care and welfare work, or employment support for persons with disabilities, and so forth for ten years until 2017.

In FY2018, five entrepreneurs, who were addressing the revitalization of community-based, unique industries or social challenges, such as the problem of shut-in youth, joined as members of the eleventh seminar. The employees who involved in the seminar as pro bono workers taught these entrepreneurs how to narrow down goals, calculate profits and losses, formulate strategies to enhance product value, investigate trademarks, and register a trademark while utilizing their skills and experience.

At the briefing on the pro bono activities held for BIL employees in March 2019, the pro bono employees reported that they had gained a wider perspective by supporting the entrepreneurs and had been motivated by interacting with people with different values. They also said that the pro bono experience was a valuable opportunity to test their ability in a wide range of areas.



Right: a pro bono employee talking with an entrepreneur



Briefing on pro bono activities

BIL will continue to cosponsor this seminar, which aims to support young entrepreneurs who tackle social challenges and community revitalization through their businesses, and provide pro bono work by its employees, and thereby contribute to society.

With Local Communities

## Social Contribution Activities in Various Regions



### Brother Contributes to Creating a School That Attracts Children in Vietnam

#### Brother donates books gathered by employees and renovates a library

In July 2018, Brother International (Vietnam) Co., Ltd. (BIC(V)) donated books to a junior high school in the Mekong Delta region, located to the southwest of Ho Chi Minh City, and renovated its library.

Many of the children of this junior high school do not attend school because they place a priority on helping with housework and so forth, and the teachers of this school visit all families of their students every year to encourage them to go to school. With the aim of enhancing the book collection of the school library and thus helping as many children as possible get interested in learning, BIC(V) employees brought books for donation and enlisted their friends and BIC(V)'s distributors to join in their effort. As a result of this, more than 350 books in a variety of fields, such as history, geography, literature, were gathered and presented to the school. In addition, to renovate the decrepit library, approximately 70 individuals, including the employees of BIC(V) and its distributors and the school teachers, together repainted the wall and door beautifully and set up new bookshelves inside the library. The donated books were classified by category and arranged on the bookshelves.



Employees organizing the donated books



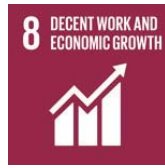
Participants repainting and decorating the library wall

On the new library with a wide range of books, the principal of the school expressed her appreciation to the BIC(V) employees who renovated the library, saying that children were very happy with the new library.

BIC(V) will always consider how to contribute to its community and continuously support the schools located there.

With Local Communities

## Social Contribution Activities in Various Regions



### Brother's Canadian Sales Company Donates Proceeds from Bazaars for Children in Developing Countries

Employees watch the children they support grow while interacting with them

Brother International Corporation (Canada) Ltd. (BIC(Canada)) has been supporting children in developing countries in collaboration with Plan International, an international non-governmental organization, since 2015.

In developing nations, many children cannot break the cycle of poverty and discrimination due to the lack of education, healthcare, and other systems. In order to raise money to support such children, BIC (Canada) regularly holds charity bazaars, and its employees sell handmade pancakes, knitted goods, jewelry, and so forth. The company matches the proceeds from the bazaars and donates them to the regions where the children live. These contributions are used to help improve education and healthcare. In 2018, the money raised was also donated to Plan International's educational project to establish new schools and train new teachers in Burkina Faso, West Africa.

In addition, all employees exchange letters with 45 of the children who are supported by BIC(Canada). The company also has a plan to send a few employees to Burkina Faso, which will promote closer interaction with the children living there. "Meeting the children and seeing our donations make even a small difference in their lives will make me happy," said one of the employees. "I will value communication with the children and continue to support them."



Employees support children in various parts of the world



Letters from the children are posted in the company

BIC(Canada) will continually address support for children as its key issue.

## With Local Communities Social Contribution Activities in Various Regions



### Brother's UAE-based Sales Company Makes and Donates Warm Clothing for Children

#### Employees make 110 sets of fleece tracksuits together with community residents

In October 2018, Brother International (Gulf) FZE (BIC(GULF)) made fleece clothes and donated them to children in refugee camps and orphanages through Dar Al Ber Society, a non-profit organization working in the United Arab Emirates.

BIC(GULF) has been engaged in CSR activities while using Brother products and focusing especially on support for children in recent years. In 2018, the company carried out "Sewing Hope," an event to make warm clothing with Brother sewing machines, hoping to help children in refugee camps and orphanages live more comfortably in the winter. In response to requests from its employees to expand this initiative to include not only the company but also the community, BIC(GULF) also invited external people to be part of it as a volunteer through social media, the local sewing communities, and so forth. As a result of this invitation, 150 local residents gathered in addition to 30 BIC(GULF) employees. At the event, which was held at a shopping plaza in Dubai, the participants sewed clothes by using Brother sewing machines and completed jackets and pants for 110 children. These warm clothes were presented to the children through Dar Al Ber Society.

"Taking suggestions from our employees, we, for the first time, conducted this event," said the representative of BIC(GULF). "I also sewed clothing and realized how laborious it is to make even a single cloth. I hope children can feel the warmth of these handmade clothes."



Participants sewing clothing



Participants and finished warm clothes

BIC(GULF) will always bear social contribution in mind and continuously engage in it.

With Local Communities

## Social Contribution Activities in Various Regions

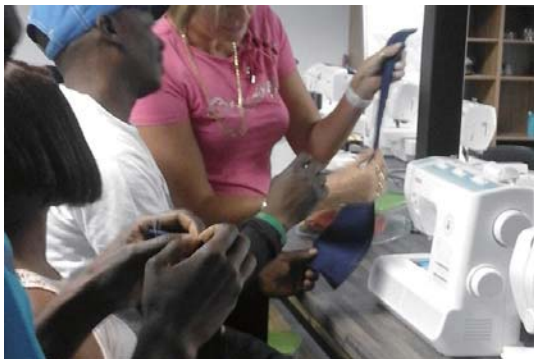


### Brother Helps People in the Community Find Employment in the Republic of South Africa

#### Brother offers job training courses using its sewing machines as teaching materials

Brother International S.A. (PTY) Ltd. (BI S.A.) has been providing job training courses in cooperation with Avisa, a non-profit organization which helps people get employment, since 2017.

The areas surrounding BI S.A. have been facing the challenge of making the lives of their residents financially stable. With the aim of providing job assistance to them with Brother's products, BI S.A., jointly with Avisa, started job training courses using Brother's sewing machines as teaching tools. In these courses, named the "Brother Avisa Training Center," participants attend weekly classes held within BI S.A.'s premises for four months and learn about the repair and maintenance of sewing machines as well as sewing skills. Many of the graduates of this center succeeded in getting jobs by having a lot of practice and using their acquired skills.



Training in sewing machine operation



Clothes made by the participants in the training classes

BI S.A. will continuously conduct social contribution activities, always considering how to contribute to its local community.